



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/11/2020

Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Juan Arias, Deputy Director of Public Works - Engineering - 259-8374

SUBJECT: Napa County Re-entry Facility - Professional Services Agreement for Construction Management/Inspection and Associated Services Amendment #5

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign Amendment No. 5 to Agreement No. 170851B with Vanir Construction Management increasing maximum compensation by \$50,000 for a new maximum of \$1,023,604 for additional construction management, inspection, and associated services for the Napa County Re-entry Facility Project.

EXECUTIVE SUMMARY

On April 18, 2017 the Board of Supervisors authorized the Chair to sign Agreement 170851 with Vanir Construction Management Inc. for construction management, inspection, and associated services for the Napa County Re-entry Facility. Agreement 170851 was subsequently amended on September 11, 2018, November 13, 2018, March 26, 2019, and December 10, 2019 for additional construction management services required due to a number of issues that delayed completion of the project, including unexpected underground site conditions, the October 2017 fires, issues with utilities disconnect/reconnect, and additional services required for closure of the project related to the punch-list, commissioning, and close-out components of the project being delayed by the Construction Contractor. While the project remains within budget, an amendment to the agreement with Vanir is needed to increase compensation to allow for continued access to their services until closure of the project.

Vanir Construction Management is not a local vendor.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	Yes
Where is it budgeted?	CIP Budget - Fund 3000, Subdivision 30005-05, Program 14021
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Department of Public Works reviewed the possibility of completing the project using our own staff for construction management. However, due to the unique nature of this project, including the highly detailed and specialized reimbursement process required by our state grants, currently we do not have the capacity or unique skills to provide the construction management services in-house.
Is the general fund affected?	No
Future fiscal impact:	There is no future fiscal impact past the current year.
Consequences if not approved:	Completion of the Napa County Re-entry Project may be further delayed and state funding may be jeopardized if specialized construction management services are delayed or not available.
County Strategic Plan pillar addressed:	Efficient and Open Government
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff conducted a qualifications-based process for the selection of a firm to provide construction management, inspection, and associated services for the project. On November 1, 2016, staff issued a Request for Qualifications and three firms including Consolidated CM, Moss Justice, and Vanir Construction Management submitted Statements of Qualifications. Firms were evaluated taking into account the experience of the lead firm, sub-consultants and staff, qualifications in various construction management/inspection areas, and the scope of work areas for construction of major public works building facilities (preferably similar to the Re-entry Facility). In addition, the responses were evaluated in terms of assembly of a team in such a way to provide cost efficiencies to the County.

Staff from the Department of Public Works, the Department of Corrections, and the County Executive Office participated in the qualifications-based selection process. Vanir's construction management and inspection experience, particularly related to the construction of various similar facilities, experience and knowledge in similarly funded projects, experience with SB 1022 funding requirements, and experience with environmental/permitting requirements for similar projects were the qualifications-based factors by which the rating panel selected them as the most qualified firm. On April 18, 2017, the Board of Supervisors authorized the Chair to sign agreements with Vanir Construction Management Inc. for construction management, inspection, and associated services for the Napa County Re-entry Facility and for the off-site utilities construction project.

On December 6, 2017, the Board of Supervisors approved plans and specifications for the "Napa County Re-entry Facility Project," PW 17-100, and approved authorization to advertise for sealed bids and opening of the bids at a time, date, and location to be published by the Director of Public Works pursuant to Section 20150.8 of the Public Contract Code contingent on all State approvals to bid related to the State Assembly Bill (SB) 1022 funding process. The required State approvals were obtained and the project was let out to bid with bids opened on March 23, 2017. Vila Construction of Richmond California was the lowest responsible, responsive bidder and a Notice to Proceed with Construction was then issued to Vila Construction effective May 22, 2017. Since then, Vanir Construction Management has been providing construction management services for the projects.

On August 14, 2018, the Board was presented with a status report and presentation for the Napa County Re-entry Facility and the Napa County Replacement Jail. Staff advised the Board of project challenges that included unexpected site conditions, the October 2017 fires, and issues with utilities disconnect/reconnect. Given these challenges, the project construction duration was extended and additional construction management services from Vanir Construction Management were required for the projects. The agreement was subsequently amended on September 11, 2018 for construction management services and on November 13, 2018 for additional project close-out services.

On March 13th, 2019, with the project over 95% complete, the Contractor stated that they would not be able to finish the project. Staff received reports that they were unable to finish several other projects for other clients as well. While this is never an ideal situation, the County had protected itself by requiring the Contractor to take out bonds at the beginning of the project to benefit the County if the Contractor was unable to perform, and to have the bonding company (the "Surety") step in and hire a new Contractor to complete the work. The County has also been assessing Liquidated Damages (penalty for not completing work on time) of \$3,000 per calendar day and have been withholding payments from the general contractor since the October 2018 progress payment because of notices County staff received from Sub-Contractors indicating they were not getting paid.

Prior to March 13, 2019, as the contractor extended and delayed completion of the project, the project remained in the punch-list, commissioning, and documentation close-out completion phase. As a result of these delays, staff identified the need for continued construction management services from Vanir to provide for sufficient services through the critical final stages of the project including negotiation with the Surety, start-up of the new Contractor, and the documentation closeout necessary to meet Grant requirements to obtain State reimbursement for the project. Close-out activities also include punch-list administration, building systems commissioning, and final contract costs negotiations. The Board of Supervisors approved Amendment No. 3 on March 26, 2019 for the anticipated additional services.

Negotiations with the Surety concluded with entering of a Takeover Agreement between Liberty Mutual and the County on June 26, 2019. Liberty Mutual, through its' completion contractor, provided a schedule for project completion of November 27, 2019. Amendment No. 4, approved by the Board of supervisors on December 10, 2109, increased maximum compensation to cover continued construction management services through the end of December 2019. The project was not complete by November 27 and County staff are currently working with the Surety and completion contractor to agree to a new project completion date.

Liberty Mutual has not yet completed the project and staff continues to work with them to bring the project to completion. Agreement 170851 is in effect until June 30, 2020 and no extension is requested. Amendment No. 5 is hereby requested to increase maximum compensation to cover additional construction management services through the end of March 2020 if necessary. The project budget is attached for reference. No additional appropriations are being requested for this item as staff anticipates unspent existing project appropriations in the Re-entry budget will cover the costs associated with this item.

Approval of these services is critical to the successful completion of the project. As mentioned before, the

contractor is liable for liquidated damages for not completing project closeout on time. Vanir will be instrumental in working through these final issues and completing the project.

SUPPORTING DOCUMENTS

A . Budget Update

CEO Recommendation: Approve

Reviewed By: Leigh Sharp