



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/26/2019

Agenda Placement: 6G

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 #3

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign the following with Vanir Construction Management Inc. regarding the Napa County Re-entry Facility and the Napa County Replacement Jail projects:

1. Amendment No. 3 to Agreement No. 170850B increasing the amount by \$44,000 for a new maximum of \$298,864 for construction management, inspection and associated services for off-site utilities construction; and
2. Amendment No. 3 to Agreement No. 170851B increasing the amount by \$65,000 for a new maximum of \$842,445 for construction management, inspection and associated services for the Napa County Re-entry Facility.

EXECUTIVE SUMMARY

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 the off-site utilities construction projects. The agreement was subsequently amended on September 11, 2018 and on November 13, 2018 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.

Staff has now identified the need for additional construction management services required for the closure of the project due to the punch-list, commissioning and close-out components of the project being delayed by the Construction Contractor. While the project remains within budget, a contract extension for Vanir is necessary to

continue access to their services until the closure of the project.

Vanir Construction Management is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	CIP Budget - Fund 3000, Subdivision 30005-05, Program 13025 CIP Budget - Fund 3000, Subdivision 30005-05, Program 14021 88% of the costs under this contract for the work associated with off-site utilities will be covered under program 13025 and 12% under program 14021. Costs for work associated with the Re-entry Facility will be covered under 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:	Closure of the Napa County Re-entry Project may be affected and state funding may be jeopardized.
Additional Information:	No additional appropriations are being requested for this item as staff anticipates unspent existing project appropriations will cover the costs associated with this item. The County has been assessing the contractor liquidated damages with Vila Construction in the amount of \$3,000 per calendar day since September 6, 2018 for their lack of completing the project on time. The contractor has been assessed \$528,000 in liquidated damages through the end of February 2019.

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 lead firm, sub-consultants and staff experience, 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 teams 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 the off-site utilities construction projects.

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 these services and on November 13, 2018 for additional project close-out services.

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

The project continues to be in the punch-list, commissioning, and documentation close-out completion phase as the contractor has extended and delayed completion of these project components. This means that Vanir's services will be further needed due to the contractor delays. Staff has identified the need for additional 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 our 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. Attached for reference is a project budget sheet. No additional appropriations are being requested for this item as staff

anticipates unspent existing project appropriations in the Re-entry and Off-Site Utility (Replacement Jail) budgets 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