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Agenda Date: 9/9/2014

Agenda Placement: 7S

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Kim Henderson for Steven Lederer - Director of Public Works
Public Works

REPORT BY: Steven Lederer, DIR OF PUB WKS/DIST ENGINEER - 259-8228

SUBJECT: Budget Transfer No. DPW001 - White Sulphur Springs Road Retaining Wall RDS 06-21R

RECOMMENDATION

Director of Public Works requests approval of Budget Transfer No. DPW001 increasing appropriations by \$212,000 in the Roads Capital Improvement Subdivision, Program 06004, with offsetting revenues from the Roads Operating Fund for the completion of White Sulphur Springs Road Retaining Wall Project. (4/5 vote required)

EXECUTIVE SUMMARY

On July 15, 2014, the Napa County Board of Supervisors awarded the White Sulphur Springs Road Retaining Wall Project, RDS 06-21R to Hess Construction of American Canyon, California in the amount of \$725,834. The project budget for Fiscal Year 2014-2015 is \$748,000. As stated in the July 15, 2014, staff report, the budget is sufficient to cover the low base bid, but additional funds in the amount of \$212,000 are required to cover additional project costs associated with the construction phase of the project including construction contingency, project management, materials testing and inspection costs. The Director of Public Works requests authorization of a budget transfer to fund these additional project costs.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Roads Department Capital Improvements CIP Budget - Fund 2040 - Subdivision 20405-00 - Program 06004
Is it Mandatory or Discretionary?	Discretionary

Discretionary Justification:	Approval will allow staff to complete construction of the project.
Is the general fund affected?	No
Future fiscal impact:	Construction will be completed in Fiscal Year 2014-2015. Future expenditures will be limited to routine maintenance as is currently performed.
Consequences if not approved:	If not approved, the proposed repair project will not be completed.
Additional Information:	<p>The Fiscal Year 2014-2015 budgeted amount of \$748,000 was sufficient to award the contract to Hess Construction, with its low base bid of \$725,834. However, noted on the July 15 agenda item, other costs associated with construction include construction contingency, project management, materials testing and inspection costs, which amount to an additional \$234,166, totaling \$960,000 to complete construction. A budget transfer in the amount of \$212,000 is requested to bring the total budgeted amount to \$960,000.</p> <p>Currently, \$362,287 is funded by California Emergency Management Agency (CalEMA) with remaining costs to be funded by Roads. Staff has requested CalEMA to increase their funding. If approved, this will reduce the required amount from Roads. In addition, as part of project close-out the County will request additional CalEMA funding participation for final project costs.</p>

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

The project is located at 3100 White Sulphur Springs Road, within Sulphur Canyon, approximately 0.7 miles west of the City of St. Helena. The site is adjacent to White Sulphur Springs Road at Mile Post Marker (MPM) 0.7. The project is to repair storm damage to a retaining wall along the south side of White Sulphur Springs Road, that also serves as the northern bank for Sulphur Creek. The project includes the demolition of the existing failed retaining wall, including removal of sections of the wall that have fallen into Sulphur Creek, and construction of a replacement wall. The replacement retaining wall will be located in approximately the same location as the failed wall section and will run approximately 270 linear feet along the northern bank of the creek. A Mitigated Negative Declaration has been prepared and the Notice of Determination filed for the construction of this project. The project is covered under an Army Corps of Engineers (ACOE) Clean Water Act (CWA) Section 404 Discharge Permit, a Regional Water Quality Control Board (RWQCB) CWA Section 401 Permit "Water Quality Certification," and a California Department of Fish and Wildlife (CDFW) Streambed Alteration Agreement.

History of Project Budget (dollar figures below round to the nearest thousands)

The original project budget was established, after negotiations with FEMA, in the 2009-2010 time frame. This budget, \$748,000, integrated various assumptions associated with permitting, design options, bidding climate, and mitigation costs. After a number of delays associated with permitting the project through the

numerous resource and funding agencies involved, the project was brought to the Board to authorize bidding the project on April 8, 2014. The Engineer's construction estimate for the project was \$542,000, with the overall project budget remaining at \$748,000. The Board authorized bidding the project.

The lowest bid received as a result of this solicitation was \$865,000, well in excess of available funds. In addition, during this period, the CDFW and the Army Corps of Engineers (via NOAA)--despite having already issued permits for the project--imposed new requirements, impacting the design and requiring additional mitigation. As such, staff returned to the Board on June 17, 2014, requesting the Board reject the submitted bids, revise the project to change the method of construction to reduce costs, and request permission to rebid the project. The Board authorized this request

On July 15, 2014, the Board awarded the contract for construction to Hess Construction of American Canyon, California for their low base bid of \$725,000. While this bid exceeded the revised engineer's estimate of \$620,000, review of the bid, which now included the additional CDFW requirements, indicated that the bid was fair and reasonable, and that rebidding was unlikely to achieve a better result. The July 15th staff report discussed that the contract award would encumber essentially the entire existing project budget, and that a budget transfer request would be forthcoming to cover all other aspects of the project, including construction contingency, project management, materials testing and inspection costs, which amount to an additional \$234,000. The total anticipated cost to complete the project is approximately \$960,000. The Board authorized award of the contract. The amount budgeted for the project for Fiscal Year 2014-2015 is \$748,000. Director of Public Works requests the approval of Budget Transfer No. DPW001 increasing appropriations by \$212,000 in the Capital Improvement Division Program 06004-70475 with additional offsetting revenues from the Roads Operating Fund.

In short, project costs escalated from the original budget, which was established in 2009, due to increasing and late project design changes required by CDFW and the Army Corps of Engineers, additional mitigation required by CDFW and the Army Corps, and an increased cost of construction due to 5 years of escalation/inflation from the time of the original estimate, as well as an increasingly difficult (for the owner) bidding climate as a result of an improving economy.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi