

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Agenda Number:
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TO: Board of Directors
Santa Barbara County Flood Control and Water Conservation District

FROM: Phillip M. Demery
Public Works Director

STAFF CONTACT: Thomas Fayram, Deputy Public Works Director
Jon Frye, Design Engineer, Ext. 3444

SUBJECT: **Montecito Creek Debris Basin Project (SC8306), First Supervisorial District**

Recommendation(s):

That the Board of Directors:

- A. Authorize Chair to execute necessary agreements related to completion of the Montecito Debris Basin Project;
- B. Approve a contingency fund in the amount of 10% of the new agreement price for the above subject project.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 2. Ensure the Public Health and Safety and Provide Essential Infrastructure.

Executive Summary and Discussion:

On March 6, 2001, your Board executed an agreement with Zerimar Corporation (Contractor) for construction of the Montecito Debris Basin Project in the amount of \$2,675,512.92.

The project was scheduled to be completed by November 1, 2001, however, by that date, the project was not near completion. Liquidated Damages began to accrue as of this date.

County Counsel contacted the Contractor and the Surety for the project to inform them that the Contractor had failed to complete the project pursuant to the agreement and were in default, and to request completion of the project.

During the following few months, the Contractor continued to lack progress on the project. On March 27, 2002, staff was informed in writing by Zerimar that they were unable to complete the work and that the Surety had taken control of the project.

Over the past several weeks, the Surety has sought proposals from contractors capable of completing the work in a timely manner.

The Surety is now prepared to deliver a contractor to complete the work in a timely manner. As such, County Counsel will be reviewing and bringing to the Chair, the necessary agreements with the Surety and the new Contractor to complete the work as soon as possible. Pursuant to the agreement and their obligation to the District, the surety will pay to the District the amount necessary to complete the project, less the money the District still has available under the first contract.

Prior to signature by the Chair, the necessary Agreements will be approved by County Counsel and the Auditor Controller's Office.

Mandates and Service Levels:

Direction by your Board will not change the programs or service levels.

Fiscal and Facility Impacts:

The cost to complete the project will not exceed the original contract amount, exclusive of any change orders. In addition, liquidated damages have accrued since November 1, 2001.

In order to give the new contractor an incentive for early completion, and as consideration for the surety's very active role in bringing this matter to an expeditious resolution, staff recommends to waive 60 days of accrued liquidated damages to move the project along. A significant amount (\$180,000) of accrued liquidated damages remain in hand to offset any costs to the Flood Control District for this delay.

Staff believes the Surety and the new contractor will pursue completion with all due diligence and will be successful.

Concurrence: Auditor-Controller, County Counsel

Montecito Creek Debris Basin Project

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