

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 12/14/05
Department Name: Public Works
Department No.: 054
Agenda Date: 01/10/06
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Phillip M. Demery
Department of Public Works

STAFF CONTACT: Eric Pearson, 681-5686
Construction Manager

SUBJECT: Construction of 2003/2004 and 2004/2005 County Wide Roads General Fund Designation and Measure 'D' Preventive Maintenance Application of Various Surface Treatments County Project No. 810522

Recommendation(s):

That the Board of Supervisors:
Approve and authorize the execution of Contract Change Order No. 3, for the increase amount of \$39,463.25

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 2. Ensure the Public Health and Safety and Provide Essential Infrastructure.

Executive Summary and Discussion:

Your Board entered into a contract on May 17, 2005, in the amount of \$4,079,826.50 with Union Asphalt, Inc., a California corporation (A Local Vendor) P.O. Box 1280 Santa Maria, Ca 93456-1280 for the Construction of 2003/2004 and 2004/2005 County Wide Roads General Fund Designation and Measure 'D' Preventive Maintenance Application of Various Surface Treatments.

Contract Change Order No. 3, adds additional contract specifications for projects exceeding 4,500 tons of asphalt concrete placement and 50 or more working days, to reduce the risk to contractors and allow compensation adjustments for price index fluctuations (oil.) Compensation is adjusted thereby when the paving asphalt price exceeds 10 percent from the month of the bid date to the month in which contract item containing paving asphalt was placed.

By agreement with the contractor, compensation adjustments will be made for all paving asphalt placed for the months of September, October, and November. This Department opened bids for this project on April 14, 2005 with the Oil Index for that month set at 253.7. The months of September, October, and November saw the index climb to 338.5, 316.7, and 285.2 respectively exceeding the 10 percent threshold as set by Caltrans.

Staff recommends approval of this change order to settle a claim from the contractor, Union Asphalt. This one time change order will compensate the contractor due to the recent unprecedented and compounding events of world oil prices both on the international and national markets. The result being an unpredictable increase in the price of liquid asphalt oil based products which are integral to the process of making roadway paving materials.

As a result of this change, future Public Works contracts will mirror CALTRANS contracts to allow adjustments (either up or down) to the asphalt overlay portion of the contract based on the monthly market price of liquid asphalt. Due to the unprecedented nature of this claim, staff consulted with County Counsel, the Association of General Contractors (AGC), Caltrans and the second low bidding contractor for this contract for their concurrence.



Mandates and Service Levels:

No mandate or service levels are affected by this action.

Fiscal and Facilities Impacts:

Funding for this Change Order will come from the project contingency fund. With this change the project contingency balance is \$518,931.04. The total project funding, including contingencies, amounts to \$4,296,317.83. Of this total, \$1,262,526.84 is provided by 2003/2004 Measure 'D' revenues, \$1,858,068.36 is provided by 2004/2005 Measure 'D' revenues, \$117,014 is provided by 2003/2004 General Funds, \$308,710.63 is provided by 2004/2005 General Funds, and \$750,000.00 is provided by Exxon as mitigation to satisfy condition RC-88/1061 of their original development permit.

Attachments:

Contract Change Order #3
Attachment A - Street List

Special Instructions:

- | | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 1. Original executed document | Public Works, Transportation - Road Construction Section
4417 Cathedral Oaks Road, Santa Barbara, CA
Attn: Linda Thompson |
| 2. Copy of executed document | Clerk of the Board |
| 3. Copy of executed document | Public Works, Transportation - Accounting
Attn: Donna Manuel |
| 4. Copy of executed document | Public Works, Transportation - Engineering Design
Attn: Beverly Cross |