Howard. N. Dashiell DIRECTOR OF TRANSPORTATION

> Road Commissioner County Engineer, RCE 42001 County Surveyor, PLS 7148



FUNCTIONS

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COUNTY OF MENDOCINO DEPARTMENT OF TRANSPORTATION

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January 6, 2017

Mendocino County Board of Supervisors 501 Low Gap Road, Room 1010 Ukiah, CA 95482

RE: ADOPTION OF RESOLUTION INCREASING CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$36,104 TO A TOTAL OF \$722,108 FOR DEPARTMENT OF TRANSPORTATION CONTRACT NUMBER 130078, FOR CONSTRUCTION OF THE SCHOOL WAY BRIDGE REPLACEMENT OVER THE RUSSIAN RIVER ON SCHOOL WAY, COUNTY ROAD 236 (REDWOOD VALLEY AREA)

Honorable Board Members:

Pursuant to Board Resolution 14-054, Mendocino County Department of Transportation (DOT) awarded DOT Contract Number 130078, in the amount of \$5,911,035, for construction of the School Way Bridge over the Russian River on School Way, County Road 236, to MCM Construction, Inc. (MCM) of Sacramento, California. A 10% contingency of \$591,104 for contract changes was budgeted. The Board previously approved an increase to \$686,004, which was an estimate of what was still needed.

When construction completed in November 2015, various charges remained disputed by DOT for unpaid work claimed by MCM. On December 9, 2016, the Director of Transportation and County Counsel mediated the disputed amount, approximately \$180,000, and negotiated a settlement agreement for a total amount of \$85,000, contingent on funding approval, to be paid as a contract change order. This will be the final change order on this contract and will settle all present claims as well as preventing any future claims with MCM.

In order to close this project, DOT needs to front the costs of the change orders above the authorized contingency amount, and then seek reimbursement through the Federal Highway Bridge Program (HBP). The HBP pays for 88.53% of the construction costs along with \$482,007 from California Proposition 1B funding, with the remainder coming from Road Fund.

DOT is currently authorized to approve change orders only up to an additional \$48,896, but authority for \$85,000 is required to front the costs for the final change order. Therefore the Director requests that the Board approve a resolution increasing the change order limit authorized for the project by \$36,104 to a total of \$722,108, as well as to authorize use of Road Funds to cover the incurred extra costs while we seek reimbursement.

I will, of course, respond to any questions that the Board may have.

Respectfully submitted,

ward n. Dashiel

HOWARD N. DASHIELL Director of Transportation