

## STAFF REPORT

**SUBJECT:** Route 154 Group II Safety & Operational Improvements Project

**MEETING DATE:** May 21, 2009

**AGENDA ITEM:** 6B

**STAFF CONTACT:** Fred Luna

### RECOMMENDATION:

Authorize the Chair to execute Amendment No. 1 to the contract with MNS Engineers for the Route 154 Group II Operational Improvements project to increase the contract budget by \$75,000 and extend the contract term to June 30, 2010.

### SUMMARY:

In June 2007, the SBCAG board approved a contract with MNS Engineers for \$782,000 to provide comprehensive construction management services (administration, inspection, surveying and materials testing) for the Route 154 Group II Safety & Operational Improvements project. The project has required increased work for the construction management team and has used up the contract budget approximately two months before the project is actually completed due to unexpected construction issues. These include conducting night work so as to minimize traffic impacts, a corresponding increase in public outreach activities, additional inspection of slopes constructed and then reconstructed as a result of storm damage, and claims reviews relating to the construction of the retaining wall at Vista Point. In order to complete the construction phase, staff is recommending an amendment in the amount of \$75,000 to the contract with MNS Engineers. The amendment would be paid using Measure D regional program funding.

### DISCUSSION:

#### Background

In 1997, SBCAG completed the first phase of Measure D funded operational and safety improvements on Route 154. These improvements were shown to be quite successful in providing passing opportunities and turning lanes that resulted in a dramatic reduction in the accident rate on the highway. A second phase of improvements was approved by the board for construction using residual funds available through the Measure D regional program. SBCAG designed and put out to bid the "Group II" improvements in 2007 and awarded a construction contract to Granite Construction. The SBCAG board hired MNS Engineers in June 2007, at a contract budget of \$782,000 funded by regional Measure D, to assist the agency with pre-construction bidding support, construction administration, inspection, surveying and materials testing. SBCAG also requested that MNS Engineers assist with community outreach for the project; an extensive outreach program wasn't originally included in the contract scope and budget.

MNS has spent about \$35,000 on outreach to help keep the public up to date on construction activities on this key interregional highway. The initial effort included a groundbreaking event

attended by local elected officials, Caltrans and SBCAG management. Follow up activities included kick off meetings with the Santa Ynez Valley Visitors Association and development of a fact sheet that was distributed via email. During construction, as extended working days and night work were conducted, MNS provided project email updates, coordinated with Caltrans on media releases, answered hotline phone calls, and handled media relations.

Since these expanded services were not originally part of MNS' scope, their overall budget was effectively reduced for the other construction related support work. That is one reason for staff recommending that additional funding be provided through a contract amendment. The other reasons have more to do with the way the construction work progressed to date. Some of the key issues that have resulted in increased cost and effort are:

- Extended working days (overtime) and night work was required to meet the contract requirements for lane closure hours and also comply with the need to conduct safe operations at times of low traffic volumes. This work was required for excavation and embankment construction and drainage culvert installations.
- The contractor has submitted a notice of potential claim due to "harder than anticipated drilling" at the Vista Point retaining wall. As a result of receiving the potential claim notice, SBCAG and MNS concurred that continuous inspection of the contractor's operations and logging of materials, equipment and labor forces was in the best financial interest of SBCAG to help resolve the claim. A dispute resolution process will commence shortly but it may take up to a year to resolve the claim after construction is completed and consequently staff is recommending that the term of the contract with MNS be extended to ensure they assist SBCAG through this process.
- Just prior to contract acceptance at Location B (Vista Point), there was a slope failure following a rain event. The resident engineer and inspection forces worked diligently with the contractor, designer and Caltrans to come up with a corrective solution. This required extra coordination and field time.

Table 1 below shows a list of the task orders that have been authorized to date. Nearly all of the available contract authorization has been exhausted.

**Table 1  
Contract Summary of Task Orders  
Construction Support Services with MNS Engineers**

<b>Contract Item</b>	<b>Scope</b>	<b>Approval Date</b>	<b>Amount</b>
Original Contract		June 2007	782,000
Task Order No. 1	Preconstruction Assistance and Surveying	July 2007	89,209
Task Order No. 2	Construction Support, Inspection, Materials, Testing	May 2008	691,517
Projected Balance as of May 21, 2009			\$1,274
Recommended Amendment No.1	Continued Support, Inspection, Materials Testing, Public Outreach	TBD	\$75,000

**Recommendation**

Staff recommends that the board approve Amendment No. 1 to the contract with MNS Engineers in the amount of \$75,000 for additional construction management and support services. The contract amendment would increase the total contract budget to \$857,000 and allow construction to be completed on the Route 154 Group II Safety & Operational Improvements project. The amendment would also extend the contract term to June 30, 2010 to allow MNS to close out the project after the completion of the one-year plant establishment period which ends in December 2009 and to participate in the claims resolution process that may continue for up to a year after the construction work is completed. Sufficient funds are available in the current FY 2008-09 Local Transportation Authority (Measure D) capital projects budget to pay for the amendment.

**COMMITTEE REVIEW:** None

**ATTACHMENTS:** Amendment No. 1 (MNS Engineers) contract



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**Amendment No. 1**  
**To**  
**Contract**  
**For Construction Management Services**  
**STATE ROUTE 154 OPERATIONAL IMPROVEMENTS PROJECT**

**between**  
**Santa Barbara County Association of Governments**  
**and**  
**MNS Engineers, Inc.**

**May 21, 2009**

**Amendment No. 1  
To Contract for Construction Management Services  
For  
State Route 154 Operational Improvements Project**

It is mutually agreed that this contract amendment entered into as of \_\_\_\_\_, 2009 between the firm **MNS Engineers, Inc.**, and **SBCAG**, shall amend the original master contract pursuant to Article 34 of said contract for the Route 154 Operational Improvements project as follows:

**Article 2 Performance Schedule and Force Majeure**

- 2.1 The period of performance by CONSULTANT under this AGREEMENT shall commence on June 22, 2007 and shall continue in effect until **June 30, 2010** ~~December 31, 2009~~ or until otherwise terminated, canceled, or extended.

**Article 3 Agreement Compensation and Cost Principles**

- 3.1 CONSULTANT shall be compensated for full and complete performance of the SERVICES, in compliance with all the terms and conditions of this AGREEMENT, and payment by CONSULTANT of all obligations incurred in, or application to, CONSULTANT'S performance of the SERVICES, and for which CONSULTANT shall furnish all personnel, facilities, equipment, materials, supplies, and services (except as may be explicitly set forth in this AGREEMENT as furnished by SBCAG). The total AGREEMENT compensation shall not exceed **\$857,000** ~~\$782,000~~. The scope of SERVICES shall be defined through the execution of task orders under this agreement, with a budget assigned to each respective task order. The compensation to CONSULTANT for each individual task order shall not exceed the maximum compensation defined in Article 3 of the Master Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on the day and year below written, but effective as of the day and year first set forth above.

**MNS Engineers, Inc.**

By: \_\_\_\_\_  
Name: Greg Chelini  
Title: Vice President  
Date: \_\_\_\_\_

**SBCAG**

By: \_\_\_\_\_  
Name: Lupe Alvarez  
Title: Chair, SBCAG  
Date: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Name: Jim Kemp  
Title: Executive Director  
Date: \_\_\_\_\_

Approved as to Form and Procedure:

Dennis Marshall  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel,  
Counsel for SBCAG