



November 17, 2016

**TO:** LOCSD Board of Directors  
**FROM:** Rob Miller, District Engineer  
Margaret Falkner, Utility Compliance Technician III

**SUBJECT: Agenda Item 11E – 12/1/2016 Board Meeting**  
Award Construction Contract for Water System  
Interconnection Improvements

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### DESCRIPTION

In June, 2016, Golden State Water Company (GSWC) and the Los Osos Community Services District (District) entered into an agreement entitled Agreement for Construction and Operation of Water System Interconnection (Agreement) to construct and operate an improved water system interconnection near the intersection of 11<sup>th</sup> Street and Los Olivos. On 10/6/2016, the Board approved Resolution 2016-35 which authorized bidding of the project and gave the General Manager authority to execute a construction contract, assuming the low bid did not return significantly over the cost estimate of \$100,000. The District and GSWC are each responsible for 50% of the project cost.

On November 3, 2016, construction bids were received for the project. Two bids were received from Whitaker Construction (\$115,050) and John Madonna Construction (\$103,550). The bid packages were reviewed by staff and found to be complete and responsive. Staff is recommending award of the project to John Madonna Construction. Given that existing subsurface conditions have a potential for impacting the working in course of construction, staff also recommends that a 10% construction contingency be allocated for the project. Given that the low bid is not significantly over the project budget, staff believes the previously adopted resolution to be sufficient. However, additional Board action is requested as noted below to confirm the project award and specify a construction contingency amount.

The proposed interconnection improvements were included in the Basin Plan as a Program A project, and the cost is contained in the approved 2015/16 budget under Fund 500, Capital Expense account 9006. Resolution 2016-35 also authorizes the General Manager to enter into other smaller support contracts related to the proposed construction as needed within the budgeted amounts.

### STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board award the Water System Interconnection Improvements project to John Madonna Construction in the amount of \$103,550 and establish a 10% construction contingency for unforeseen conditions during construction, consistent with adopted Resolution 2016-35.***