

AMENDMENT TWO TO AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES
FOR
EASTLAKE ELEMENTARY SAFE ROUTES TO SCHOOL & COMMUNITY DEVELOPMENT
BLOCK GRANT SIDEWALK AND STREET LIGHT PROJECT
IN LAKE COUNTY, CALIFORNIA

THIS AMENDMENT TWO TO AGREEMENT is made this _____ day of _____, 2018, by and between the County of Lake, hereinafter referred to as "COUNTY", and 4LEAF, Inc., hereinafter referred to as "CONSULTANT".

WITNESSETH

WHEREAS, COUNTY and CONSULTANT have entered into an AGREEMENT dated August 22, 2017, and Amendment One to Agreement dated December 15, 2017 to provide construction management services for the Eastlake Elementary Safe Routes to School and Community Development Block Grant project; and

WHEREAS, the CONSULTANT desires to amend their budget due to the prolonged Pre-Construction phase and increased inspection effort; and

WHEREAS, Article XVI, Section A, "MODIFICATION", of said AGREEMENT allows modification by a written amendment executed by both parties; and

WHEREAS, COUNTY AND CONSULTANT now desire to amend said Agreement in order to compensate for the additional effort.

NOW, THEREFORE, the parties hereto agree as follows:

1. ARTICLE I, "SCOPE OF SERVICES", SECTION "A" is modified to read as follows:
 - A. CONSULTANT shall perform the services described in Exhibit "A" and hereby modified by Exhibit "C", attached hereto and incorporated herein by this reference hereinafter called Scope of Work.
2. "Compensation" under ARTICLE VI, "COMPENSATION AND TERMS OF PAYMENT" is modified to read as follows:
 - C. Compensation: The method of payment for this contract will be based on actual cost plus a fixed fee. COUNTY will reimburse CONSULTANT for actual costs (including labor costs, employee benefits, travel, equipment rental costs, overhead and other direct costs) incurred by CONSULTANT in performance of the work set forth in Exhibit "A" as hereby modified by Exhibit "C". Direct Costs for Sub

Consultants will be billed as actual costs. No payment will be made prior to approval of any work, nor for any work performed prior to approval of this Agreement.

CONSULTANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved CONSULTANT'S Cost Proposal, unless additional reimbursement is provided for by contract amendment. In no event, will CONSULTANT be reimbursed for overhead costs at a rate that exceeds COUNTY's approved overhead rate set forth in the Cost Proposal. In the event, that COUNTY determines that a change to the work from that specified in the Cost Proposal and contract is required, the contract time or actual costs reimbursable by COUNTY shall be adjusted by contract amendment to accommodate the changed work.

For all services CONSULTANT shall be paid in accordance with the budget set forth in Exhibit "B" as hereby modified by Exhibit "D", provided however, total payments to CONSULTANT shall not exceed \$351,325.61 without prior written authorization by COUNTY and formal Amendment to this Agreement.

In addition to the allowable incurred costs, COUNTY will pay CONSULTANT a fixed fee of \$24,607.74. The fixed fee is nonadjustable for the term of the contract, except in the event of a significant change in the scope of work and such adjustment is made by contract amendment.

Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal.

Except as specifically modified herein, all other terms and conditions of the AGREEMENT dated August 22, 2017 shall remain in full force and effect.

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COUNTY and CONSULTANT have executed this Amendment Two to Agreement on the
day and year first written above.

COUNTY OF LAKE:

CONSULTANT:

Chair, Board of Supervisors


Bert Gross, Principal

ATTEST:

CAROL J. HUCHINGSON
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

ANITA L. GRANT
County Counsel

By: _____

By:  _____



April 20, 2018

Lake County Department of Public Works
255 N. Forbes Street, Room 309
Lakeport, CA 95453
Attn: Scott Hornung

Subject: Additional funds for CLO SRTS CSBG Project

Hi Scott,

This letter addresses our discussion about the need for additional funds for 4LEAF staff on the project due to the prolonged Pre-Construction Phase and the increased inspection level, therefore the additional funds are not proportionate to our original estimate. However, we believe that if the contract is extended for 30 days, those additional 30 days could be staffed at the same level as in our original proposal, assuming the major issues are resolved.

Our request for additional funds doesn't include working on weekends.

Below is the rationale for additional funds and increasing the inspection level:

Pre-Construction Phase:

The Preconstruction phase was longer than anticipated:

Our contract was awarded in August 22, 2017.

The original NTP was 11/14/17 but was extended to 3/27/18

The actual start of construction was 4/2/18.

We proposed 24 hours for the preconstruction phase; however, we used 282 hours for our CM and 17 hours for our Inspector.

Some of the tasks during preconstruction:

- Multiple meetings/conference calls with Caltrans Local Assistant office
- Developed the QMP,
- Answered RFIs
- Reviewed Submittals
- Dealt with potential CO #1
- Worked with the City concerning the CLOWD issues

Construction Phase:

The original performance period was 90 working days; which equates to 18 weeks.

We proposed a full-time CM with very limited, "as needed" inspection services:
780 hours/CM & 90 hours/Inspector; this equates to \$140,870 or \$46,957/month.

Based on the current facts with the project, we propose a change in staffing plan. We suggest 4 days per week for our CM and 4 days per week for Inspector:
576 hours/CM & 576 hours/Inspector; this equates to \$174,528 or \$58,176/month.

Below are some of the facts that led to our recommendation to increase the staffing plan:

- Currently there are 31 RFIs which require thorough documentation
- There are 2 current Change Orders (CO's) in process and approximately ½ of the 31 RFIs will be turned into potential CO's.
- Each CO requires an independent cost estimate, verification tracking, independent take offs, and extensive Caltrans paperwork.
- New QMP requires 40 bid items to be tracked with Field compliance and/or certification of compliance from the Contractor and/or their subs/suppliers.
- During our visits with the Caltrans Local Assistance Office it was determined that all bid items are to be tracked Daily using their Qualities Form. Documentation is required each day, to include field calculations for each item work on that day.
- Coordination is required with other special districts; County doesn't control the water or storm drain/sewer services.
- Underground water lines issues require coordinating with CLOWD staff/management and has been difficult. Example: Drew's 4/19/18 email, concerning CLOWD discussion; services CLOWD won't perform.
- County is in a contentious situation with CLOWD that might turn in a lawsuit and is requiring detailed documentation.
- Dealing with issues that weren't fully resolved during design. For Example: Caltrans pull boxes were to be relocated by others. Caltrans stated they aren't going to relocate the boxes. We are developing plans to have the contractor's electrical sub relocate them (CO).
- There is currently a delay in critical path work activities for the Storm Drain Elliptical pipe installation due to a conflict with a water line that requires the service to be lowered. Delay started April 14.



Additional funds required:

Pre-construction Phase:

Original 4LEAF 's Staff Estimate:

RE: 24 hrs x \$160/hr = \$3,840

Insp: 0 hrs x \$143/hr = \$0

PM: 8 hrs x \$160/hr = \$1,280

Total Pre-Construction Cost = \$5,120

Actual:

RE: 282 hrs x \$160 = \$45,120

Insp: 17 hrs x \$143 = \$2,431

PM: 0 hrs x \$160 = \$0

Actual pre-construction Cost = \$47,551

Additional funds needed for the Pre-construction Phase: $\$42,431 = (\$5,120 - \$47,551)$

Construction Phase: (Based on the original 90 working day performance period)

Original 4LEAF 's Staff Estimate:

RE: 760 hrs x \$160/hr = \$121,600

Insp: 90 hrs x \$143/hr = \$12,870

PM: 40 hrs x \$160/hr = \$6,400

Total Construction Cost = \$140,870

Increased inspection Level, Projected Estimate

RE: 576 hrs x \$160 = \$92,160

Insp.: 576 hrs x \$143 = \$82,368

PM: 0 hrs x \$160 = \$6,400

Actual-construction Cost = \$174,528

Additional funds needed for the Construction Phase: $\$33,658 = (\$140,870 - \$174,528)$

Additional funds needed for 4LEAF's staff based on orig. 90 work day period. $\$76,089 = (\$42,431 + \$33,658)$

If the contractor's performance period increases due to rain and/or delays or working on weekends, additional funds will be required.

If the contract is extended 30 work days, we are assuming that we can decrease our level of staffing for the last month. $\$44,448/\text{last month } (\$30,720 + \$13,728)$

CM: 6 weeks x 32hrs/wk x \$160/hr = \$30,720

Inspector: 6 weeks x 16hrs/wk x \$143/hr = \$13,728

Subconsultants CTS, Inc. and Silveira Consulting, Inc. will need additional funds of \$20,169 and \$4,405 respectively. We are confirming the CTS amount.

Thank you for working through these issues with us. Let me know if you need further documentation or anything else we can provide.

Sincerely,

Bert Gross, PE

Vice President, 4LEAF, Inc.

Office: (916) 965-0010, Mobile: (916) 870-7191

Email: bgross@4leafinc.com

EXHIBIT 10-H Cost ProposalACTUAL COST-PLUS FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS
(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Consultant: 4LEAF, Inc.

Contract No.

Date: 3-2-18

SRTS and CDBG Project (Amendment)**DIRECT LABOR**

Classification /Title	Name	Hours	Actual Hourly Rate	Total
Project Manager	Bert Gross	0	\$69.61	\$ -
Resident Engineer	TBD	218	\$69.51	\$ 15,153.18
Construction Inspector	TBD	599	\$62.13	\$ 37,215.87
				\$ -
				\$ -
				\$ -

LABOR COSTS

a) Subtotal Direct Labor Costs

\$ 52,369.05

b) Anticipated Salary Increases

c) TOTAL DIRECT LABOR COSTS [(a)+(b)]

\$ 52,369.05

FRINGE BENEFITS

(d) Fringe Benefit

31.47% e) **TOTAL FRINGE BENEFITS [(c) x (d)]**

\$ 16,480.54

INDIRECT COSTS

f) Overhead Rate:

77.77% g) Overhead [(c) x (f)]

\$ 40,727.41

h) G & A

0.00% i) Gen & Admin [(c) x (h)]

\$ -

j) TOTAL INDIRECT COSTS [(g) + (i)]

\$ 40,727.41

FIXED FEE (Profit)

n) Rate

10%

k) TOTAL PROFIT [(c) + (e) + (j)] x (n)]

\$ 10,957.70

OTHER DIRECT COSTS (ODC)

l) Travel/Mileage Costs (supported by consultant actual costs)

m) Equipment Rental, Supplies, analytical laboratory costs (itemize)

\$8,800

n) Permit Fees (itemize), Plan Sheets (each), Test Holes (each), etc.

0

o) Subconsultant Costs (attach detailed cost proposal in same format as prime consultant estimate for each subconsultant)

Silveira Consulting, LLC

\$ 4,405.00

Chaudry and Associates, Inc.

Construction Testing Services

\$ 20,169.00

p) TOTAL OTHER DIRECT COSTS [(l)+(m)+(n)+(o)]

\$ 33,374.00

TOTAL COST [(c) + (e) + (j) + (k) + (p)]

\$ 153,908.70

NOTES:

Employees subject to prevailing wage requirements to be marked with an *

ODC items should be based on actual costs and supported by historical data and other documentation.

ODC items that would be considered "tools of the trade" are not reimbursable.

ODC items should be consistently billed directly to all clients, not just when client will pay for them as a direct cost

ODC items when incurred for the same purpose, in like circumstances, should not be included in any indirect cost pool or in overhead rate.

Travel related costs should be pre-approved by the contracting agency. The rates should not exceed the State Department of Personnel Administration (DPA) requirements.

