

**RUNNING SPRINGS WATER DISTRICT
COLLECTIONS DIVISION**

MEMORANDUM

DATE: August 26, 2011

TO: Board of Directors

FROM: Sam G. Massey, General Manager

SUBJECT: BOARD CONSIDERATION AND APPROVAL OF LIVE OAK
EXPOSED SEWER MAIN PROJECT - CHANGE ORDER No. 2

BACKGROUND

GM Excavating Inc. was awarded the contract to repair the damage caused by the December, 2010 Storms to a sewer easement located below Live Oak Drive at the July 20, 2011 Board Meeting. Change Order No. 1 was approved by the Board at the August 17, 2011 authorizing GM Excavating, Inc. to replace a section of damaged 3" force main.

CURRENT STATUS

Nate Mesna from GM Excavating Inc. has recommended a deviation from the plans that calls for the installation of a 12" culvert across the sewer easement. After excavating the project site, he has determined that debris washed down from the County 24" drainage culvert would undoubtedly plug the 12" culvert during a major storm event.

Mr. Mesna has suggested either upsizing the culvert to 24" or installing a concrete swale. After conferring with Brian Thomas from Engineering Resources, it was thought that the best choice would be to install the concrete swale at an additional cost of \$3,755. Upsizing the culvert to 24" would increase the contract price by \$2,700.

A copy of proposed cost increases from GM Excavating Inc. has been attached to this memo for the Board's review. Additional information will be provided to the Board at the August 30, 2011 Board Meeting.

REQUESTED BOARD ACTION

At this time, we request that the Board review and consider the above and attached information. Following consideration, we ask that the Board approve Change Order No. 2 to the Live Oak Exposed Sewer Main Project in the not to exceed cost of \$3,755.

GM Excavating, Inc.
P.O. Box 1134
Running Springs, CA 92382
Ph (909) 867-0077 Fax (909) 867-2664
License #803490
Proposal & Contract

TO: RUNNING SPRINGS WATER

DATE: AUGUST 26, 2011

JOB: LIVE OAK EASEMENT CROSSING - CO NO 2

I propose to furnish all labor and materials and equipment to complete the following:

OPTION #1

CONCRETE SWALE AND RIP RAP DOWN THE SLOPE AS PER DRAWINGS

-IMPORT AND PLACE ROCKS	\$ 850
-POUR SWALE AND AROUND RIP RAP	\$4,875

SUBTOTAL **\$5,725**

ADDITIONAL 12IN CULVERT	\$ 530
DEDUCT FOR HEADWALL	- 2,200
DEDUCT FOR SPASH PAD	- 300
TOTAL	\$3,755

OPTION #2

UPSIZE PIPE TO 24IN

MATERIAL AND LABOR	\$1,670
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SUBTOTAL **\$1,670**

ADDITIONAL 12IN CULVERT	\$ 530
UPSIZE HEADWALL TO ACCOMMODATE LARGER PIPE	\$ 500

TOTAL **\$2,700**

NOTE: Any additional geological, compaction or other required testing or changes to the scope of work other than what is indicated on the plans, and presented after the date of this proposal, will be charged as an extra.

CONTRACT PRICE: I hereby PROPOSE to furnish all material and labor complete in accordance with above specifications for the sum of THREE THOUSAND SEVEN HUNDRED FIFTY FIVE DOLLARS (\$3,755.00) FOR OPTION NO 1 OR TWO THOUSAND SEVEN HUNDRED DOLLARS (\$2,700.00) FOR OPTION NO 2. Payment to be made as follows: To be paid within ten(10) days after completion of each phase as invoiced. FINANCE CHARGE: A 1.5% late fee will be charged on all invoices over 30 days. NOTE: Rock Clause: If unforeseen large boulders are encountered while excavating, additional cost will be quoted on site and charged as an extra.

"NOTICE TO OWNER"(Section 7018, -7019-Contractors License Law) Under the Mechanics Lien Law, any contractor, subcontractor, laborer, material man or the person who helps to improve your property and is not paid for his labor, services or material, has a right to enforce his claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid. Under the law you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor services, equipment or materials for the work described in said contract.

"INFORMATION ABOUT THE CONTRACTORS STATE LICENSE BOARD (CSLB)": CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact the SCLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you

file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information: VISIT www.cslb.ca.gov, or CALL 1-800-321-2752, or WRITE CSLB at P.O. Box 26000, Sacramento, CA 95826."

THIS PROPOSAL IS GOOD FOR NINETY (90) DAYS FROM THE ABOVE DATE. **YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS:** You, the buyer, have the right to cancel this contract until: 1. You receive a copy of this contract signed and dated by you and the contractor, and 2. The contractor starts work. You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started.

Authorized Signature: Nathan Mesna - owner **Date:** 8/26/11
Nathan Mesna, President

Acceptance of Proposal: The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____ **Date:** _____