



appropriations are included in the Department of Public Works and Planning Org 9247 FY 2017-18 Adopted Budget.

DISCUSSION:

On December 12, 2017, your Board conditionally awarded Contract No. 17-16-C, Monte Verdi Wastewater Treatment Facility Improvements, to IWS pending approval by the State Water Resources Control Board (SWRCB). Upon approval by the SWRCB, the conditions were met, so the contract was authorized.

Public Contract Code (PCC), section 4104 requires the prime contractor to submit with its bid a list of its subcontractors whose work on the project constitutes more than one-half of one percent of the prime contractor's total bid. When IWS submitted their bid proposal, they listed Prousys as a subcontractor to perform the electrical work on the project.

Subsequently, Prousys indicated that they could not bond for the project and that their workload precluded them from performing the work, therefore requesting that IWS remove them from consideration for the project.

In lieu of substituting another subcontractor, IWS has opted to self-perform the work in effect; IWS is substituting itself for the subcontractor. In accordance with PCC, section 4107, a letter was sent to Prousys indicating that they had five working days to file an objection to the proposed substitution. No response was received within the time allotted, which, by statute, constitutes the subcontractor's consent to the substitution.

Based on the above, the Department recommends that your Board approve IWS self-performing the electrical work on Contract 17-16-C. There is no penalty associated with the substitution when approved pursuant to the provisions of PCC, section 4107(a).

REFERENCE MATERIAL:

BAI #41, December 12, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Prousys Withdrawal Request Letter  
Prousys Substitution Consent Letter

CAO ANALYST:

Sonia M. De La Rosa