



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Cohen and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Jim Arndt, Director of Public Works  
Michael A. Guerrero, Principal Civil Engineer

**DATE:** April 21, 2009

**SUBJECT:** Change Order No. 1 in the net amount of \$34,800 to A.J. Fistes Corporation for the Peck Reservoir Rehabilitation Project

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**RECOMMENDATION:**

Staff recommends that the City Council pass a motion to approve Change Order No. 1 for the Peck Reservoir Rehabilitation Project.

**FISCAL IMPLICATION:**

| FUNDING               | CONTRACT                     | PAY    | AMOUNT      |
|-----------------------|------------------------------|--------|-------------|
| Water Fund: \$175,000 | Contract Award: \$ 71,675.00 | 1.     | \$13,859.56 |
|                       | Change Order 1: \$ 34,800.00 | 2.     | \$41,242.49 |
|                       | New Contract: \$106,475.00   | Total: | \$55,102.05 |

**DISCUSSION:**

The City of Manhattan Beach operates the seven million gallon Peck Avenue Reservoir, located in the vicinity of Peck Avenue and 18<sup>th</sup> Street. In 2000, the reservoir's concrete slab roof was replaced with a new steel truss aluminum roof and reinforced concrete interior bracing was added. Minor leaks to the reservoir's concrete base were also mitigated at that time.

In 2006, the City retained Dive Corr, Inc. services to inspect both the inside and outside of the tank and to identify and provide a detailed summary of all maintenance and operational issues of concern. A report was subsequently provided to the City identifying these issues, which include signs of corrosion, peeling and delamination of the steel beam and truss coating, loose pads, root intrusion, joint leakage, and seepage.

Because this work was highly specialized, consultant design services were needed to develop detailed plans and specifications for the repair and rehabilitation of the reservoir based on the

report's findings. At its regularly-scheduled meeting of December 4, 2007, Council awarded a contract to DGA Consultants for an amount not-to-exceed \$19,651.00, with the understanding that the City would also consider retaining specialized inspection services during construction. The detailed plans and specifications included:

- Removal of the old coatings and application of new protective coatings to beams, trusses, fasteners and anchor pads.
- Repair of rusted areas where there are signs of corrosion.
- Repair of areas compromised by root intrusion.
- Removal of existing joint sealant from deteriorated concrete cracks and preparation of new sealant/grout at these locations.
- Application of new sealant/grout on concrete surface cracks.

At its regularly-schedule meeting of April 15, 2008, Council awarded a construction contract in the net amount of \$71,675.00 for the Peck Reservoir Rehabilitation Project to A.J. Fistes Corporation, and DGA's existing contract was amended for an additional \$10,000.00 to provide specialized inspection services during construction. The project expenditures to-date:

- \$1,700 spent on the initial investigation (Dive Corr)
- \$19,651 allocated for consultant design services (DGA)
- \$71,675 awarded for construction contract (A.J. Fistes)
- \$10,000 for specialized inspection services (DGA)

for a total of \$103,026. \$175,000 was originally included in the Capital Improvement Project (CIP) fund for this project; however, the construction contract bid (\$71,675) came in at a much lower price than anticipated, hence the substantial project savings.

#### ***Change Order No. 1***

The original construction contract did not include cleaning and disinfection of the reservoir after the project was completed. This work is necessary in order to bring the reservoir back on line within the City's water distribution system. Adding the work as a Change Order to the existing contract will maintain liability for the quality control of the project with the City's existing Contractor.

This additional work resulted in a net increase to the contract cost of \$34,800. Staff is recommending approval of a change order in the amount of \$34,800, utilizing the available funds in the budgeted project account. This will bring the total cost of construction to \$106,475, leaving a surplus of \$37,174 in the project budget account.

xc: Henry Mitzner, Controller