



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Jim Arndt, Director of Public Works
Steve Finton, City Engineer
Ish Medrano, Project Manager

DATE: July 20, 2010

SUBJECT: Consider Authorization to Approve Final Payment in the Net Amount of \$27,403.82 to Atom Engineering Construction; Formally Accept the City Yard Fuel Island Cover Project as Complete; Approve Change Order; Authorize Filing of the Appropriate Notice of Completion and Release of Retention in the Amount of \$9,373.04

RECOMMENDATION:

Staff recommends that the City Council pass a motion to:

- a) Approve the issuance of a final payment in the net Amount of \$27,403.82 to Atom Engineering Construction for the City Yard Fuel Island Cover Project;
- b) Formally Accept the City Yard Fuel Island Cover Project as Complete;
- c) Approve Change Order in the amount of \$3,751.38;
- d) Authorize Filing of the Appropriate Notice of Completion and Release of Retention in the Amount of \$9,373.04.

FISCAL IMPLICATION:

Budget	
2009 Capital Improvement Program: Stormwater Fund	CIP 10840E \$20,000.00
2009 Capital Improvement Program: Wastewater Fund	CIP 10842E \$50,000.00
2009 Capital Improvement Program: Water Fund	CIP 10835E \$75,000.00
2009 Capital Improvement Program: CIP	CIP 10831E \$30,000.00
TOTAL BUDGET	\$175,000.00
Anticipated Expenditures	
Design/Build Contract-Atom Engineering Construction	\$ 89,979.00
Recommended Change Order-Atom Engineering Construction	\$ 3,751.38
TOTAL ESTIMATED EXPENDITURES	<i>\$ 93,730.38</i>
ESTIMATED FUND BALANCE AFTER COMPLETION	\$ 81,269.62

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Recommended Progress Payment: Atom Engineering Construction	
Revised Contract Amount with Atom Engineering Construction Including Recommended Change Order	\$ 93,730.38
Progress Payment No. 1 (Approved 01/19/10)	\$ 13,500.00
Progress Payment No. 2 (Approved 03/02/10)	\$ 15,737.21
Progress Payment No. 3 (Approved 06/15/10)	\$ 27,716.31
Final Payment (Recommended)	\$ 27,403.82
Total Progress Payments	\$ 84,357.34
Recommended Retention Payment after 35 days	\$ 9,373.04
Total Payments plus Retention	\$ 93,730.38
Balance in Contract Amount	\$0

BACKGROUND:

At its meeting of November 17, 2009, Council awarded a contract to Atom Engineering Construction in the amount of \$89,979.00 for the City Yard Fuel Island Cover Project. The contract is a “design-build” contract where the contractor designs and builds the project based on a performance specification developed by City Staff.

This project is required to bring the City’s fuel island into compliance with the National Pollutant Discharge Elimination System (NPDES) permit. The permit requires that all fuel dispensing areas be sheltered from storm water contact to prevent storm water runoff from carrying hydrocarbons to the storm drain.

DISCUSSION:

Extra Work

Due to the nature of a “design/build” contract, unforeseen conditions required that additional work be performed at additional expense. Typically, City Council authorizes the Director of Public Works to approve change orders an amount not exceeding 10% of the original contract amount. Staff did not request that contingency amount on this project; therefore, it is requested that City Council approve the change order described below:

Change Order Description	\$Amount
<u>Concrete swale to divert storm water</u> During the course of construction, Staff discovered that the area around the fuel island partially drains across the covered area, which is a violation of NPDES storm water permit requirements. Staff directed the Contractor to install a 3’ x 30’ concrete swale to prevent storm water from crossing underneath the new canopy.	\$3,751.38

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Approval of the recommended change order (\$3,751.38) will not require appropriation of additional funds since the final project cost of \$93,730.38 is below the project budget of \$175,000.

Final Payment

The Contractor has completed 100% of the work along with completion of the required change orders. The Contractor has requested a final payment in the amount of \$27,403.82, and that the City formally accept the work as complete. A ten percent (10%) retention in the amount of \$9,373.04 would be released 35 days after recordation of the Notice of Completion with the County Recorder. All work inspected by the Public Works Department has been found to be in conformance with the plans and specifications.

Final Accounting

The total budget for the project is \$175,000.00. Total project costs are \$93,730.38. A balance of appropriations in the amount of \$81,269.62 will remain after completion of the project and will be returned to fund balance as follows:

<u>Fund</u>	<u>Amount to Return</u>
Stormwater Fund	\$9,287.96
Wastewater Fund	\$23,219.89
Water Fund	\$34,829.84
CIP Fund	\$13,931.93
Total	\$81,269.62

xc: Henry Mitzner, Controller
 Jeanne D. O'Brien, Accountant

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