



Agenda Item #: \_\_\_\_\_

# 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  
Edward T. Kao, Senior Civil Engineer

**DATE:** August 3, 2010

**SUBJECT:** Consideration to Approve Final Payment in the Net Amount of \$33,735.40 to Atlas Underground, Inc. for the 2006-07 Sewer Main Replacement Project; Formally Accept the 2006-07 Sewer Main Replacement Project as Complete; Approve Change Orders; Authorize Filing of the Appropriate Notice of Completion and Release of Retention in the Amount of \$32,611.56; Authorize Additional Funds from the Approved Budget in the Amount of \$12,719.57 to Cover the Change Orders.

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### RECOMMENDATION:

Staff recommends that the City Council pass a motion to:

- a) Approve the issuance of a final payment in the net amount of \$33,735.40 to Atlas Underground, Inc. for the 2006-07 Sewer Main Replacement Project;
- b) Formally accept the 2006-07 Sewer Main Replacement Project as complete;
- c) Authorize additional contingency funding in the amount of \$12,719.57 to fund required change order work; and
- d) Authorize filing of the appropriate Notice of Completion and the release of retention in the amount of \$32,611.56.

**FISCAL IMPLICATION:**

<b>Budget</b>		<b>Table 1</b>
2006-07 Sewer Main Replacement Project	<b>CIP 07828E</b>	\$350,000.00
2005-06 Sewer Main Replacement Project	<b>CIP 06824E</b>	\$350,000.00
Total Appropriated Budget		\$700,000.00

<b>Expenditures</b>		<b>Table 2</b>
Base Map Survey (I/WS Surveying)		\$ 22,000.00
Design Contract (Psomas & Associates)		\$ 41,438.00
Soil Testing (ZKC, Inc.)		\$ 5,900.00
Construction Contract Payments (including recommended payments)		\$326,115.57
Total Payments		\$395,453.57
Balance of Appropriations Remaining After Project Completion		\$304,546.43

<b>Payments to Contractor (Atlas Underground, Inc.)</b>			<b>Table 3</b>
	Net Progress Payment	Retention	<i>Total</i>
Progress Payment No. 1	\$87,809.85	\$9,756.65	\$ 97,566.50
Progress Payment No. 2	\$56,977.39	\$6,330.82	\$ 63,308.21
Progress Payment No. 3	\$114,981.37	\$12,775.71	\$127,757.08
<b>Final Payment (Recommended)</b>	<b>\$33,735.40</b>	<b>\$3,748.38</b>	<b>\$ 37,483.78</b>
<b>Total Payments</b>	<b>\$293,504.01</b>	<b>\$32,611.56</b>	<b>\$326,115.57</b>
Original Construction Contract Amount			\$284,896.00
Contingency Authorized by City Council			\$ 28,500.00
<i>Total Authorized by City Council</i>			\$313,396.00
<b>Additional Change Order Authorization Requested</b>			<b>\$ 12,719.57</b>

**BACKGROUND:**

At its meeting of December 1, 2009, Council passed a motion to award a contract in the amount \$284,896.00 to Atlas Underground, Inc. for the 2006-07 Sewer Main Replacement Project and authorized the Director of Public Works to approve additional work in an amount not-to-exceed \$28,500.00, if required.

The scope of the project included replacement of deteriorated sanitary sewer mains on the following streets:

- 12<sup>th</sup> Street from Fisher Avenue to Highview Avenue
- 13<sup>th</sup> Street from Manhattan Avenue to Highland Avenue

**DISCUSSION:**

Construction on 12<sup>th</sup> Street began on January 25, 2010, and was completed on March 4, 2010. Work on 13<sup>th</sup> Street began on March 8, 2010 and was completed on May 11, 2010.

Additional Contingency Authority Requested for Change Orders

Unforeseen underground conditions required the contractor to perform additional work valued at \$47,577.57 as described below. Savings taken within the original contract bring total additional costs to \$41,219.57. The original contract contingency of \$28,500 is insufficient to cover these costs. Additional authority in the amount of \$12,719.57 is requested.

Date	Extra Work	Cost
February 18, 23, 2010	The locations of two service laterals on 12 <sup>th</sup> Street were not as shown on the plans. Additional work was required to locate and reroute the service laterals. <i>(Payment made through Progress Payment No 2)</i>	\$ 2,650.51
March 31, 2010	The contractor was delayed while a conflicting utility was identified and cleared in 13 <sup>th</sup> Street west of Highland Avenue. <i>(Payment included in Progress Payment No 3)</i>	\$ 806.31
April 2, 2010	Unmarked City conduits in 13 <sup>th</sup> Street immediately west of Highland Avenue caused stoppage of work. <i>(Payment included in Progress Payment No 3)</i>	\$ 1,019.12
April 16-23, 2010	Unmarked City conduits in 13 <sup>th</sup> Street immediately west of Highland Avenue required a custom deep shoring system to be designed and fabricated causing significant additional engineering and construction costs. Additionally, the contractor was delayed by Gas Company relocation efforts at this same location. <i>(Payment included in Progress Payment No 3)</i>	\$16,038.66
April 30, 2010	Unforeseen concrete material encountered while excavating in Highland Avenue caused delay and significant additional removal time and effort. <i>(Payment included in Progress Payment No 3)</i>	\$ 844.54
May 4 & 6, 2010	An unknown house lateral for 1213/1215 Highland Ave. was discovered while the old sewer main was about to be abandoned. Additional work was required to locate and reconnect the service lateral to the new 8" main.	\$ 4,638.64
April & May, 2010	In order to minimize construction impact to Uncle Bill's and Ocean View Café the contractor was instructed to order extra trench plates to cover the excavated trench, so that the backhoe could drive over the trench and work within the small fenced-in area. Contractor was instructed to deploy message boards one week before and during his work on Highland Ave. to caution motorists about the street closures and road work.	\$ 4,964.30

Date	Extra Work Cont'd	Cost
May 12~14, 2010	Video sewer inspection performed as part of the Sewer Master Plan identified a broken sewer main in 18 <sup>th</sup> Street in the Flournoy Road intersection. This location is scheduled for pavement reconstruction and overlay in Fiscal Year 20010-11. Staff directed the Contractor to repair the sewer on a time and materials basis such that the repair could be made before the street is re-paved.	\$16,615.49
Total additional work required		\$47,577.57
Savings taken on original contract items		(\$6,358.00)
Total additional cost		\$41,219.57
Original Contingency amount		\$28,500.00
<b>Additional Authority Requested</b>		<b>\$12,719.57</b>

Final Payment

The Contractor has completed 100% of the work. The Contractor has requested a final payment in the amount of \$33,735.40 and requests formal acceptance of the project. A ten percent (10%) retention in the amount of \$32,611.56 would be released upon the expiration of 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 \$700,000.00. Construction Contract and Contingency authorized by City Council is \$313,396.00. Total project costs are \$326,115.57. An additional authorization of \$12,719.57 is required to cover the difference. A balance of appropriations in the amount of \$304,546.43 will remain after completion of the project, which will be applied to future sewer projects.

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