



# Staff Report

## City of Manhattan Beach

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

**THROUGH:** David N. Carmany, City Manager

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

**DATE:** February 15, 2011

**SUBJECT:** Consideration to Approve Progress Payment No. 1 in the Net Amount of \$42,447.34 to Western Fencing Supply for the Manhattan Heights and Live Oak Park Fence Reconstruction Project and Increase Change Order Authority of Director of Public Works to 25% of Contract Amount

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### RECOMMENDATION:

Staff recommends that the City Council pass a motion to:

- 1) Approve issuance of Progress Payment No. 1 in the net amount of \$42,447.34 to Western Fencing Supply for the Manhattan Heights and Live Oak Park Fence Reconstruction Project; and,
- 2) Increase the authority of the Director of Public Works to approve additional work from 10% to 25% of contract amount bringing total change order authority to \$22,586.75 allowing City to take advantage of favorable contract prices.

### FISCAL IMPLICATION:

Capital Improvement Funds in the total amount of \$280,000 have been appropriated for this project through the Fiscal Year 2006-2007 Capital Improvement Program. A summary of appropriations and anticipated expenditures is as follows:

<b>Budget</b>		
Capital Improvement Fund	<b>CIP 07402e</b>	\$280,000.00
	<b>TOTAL BUDGET</b>	\$280,000.00
<b>Anticipated Expenditures</b>		
Construction Contract (Western Fencing Supply)		\$ 90,347.00
Original change order authority (10%)		\$ 9,034.70
<b>Recommended additional change order authority (15%)</b>		<b>\$ 13,552.05</b>
Total recommended change order authority (25%) [Contingency]		\$22,586.75
<b>TOTAL ESTIMATED EXPENDITURES</b>		<b>\$112,933.75</b>
	<b>ESTIMATED FUND BALANCE</b>	<b>\$167,066.25</b>

<b>Recommended Progress Payment: Western Fencing Supply</b>	
<b>Progress Payment No. 1</b>	<b>\$ 42,447.34</b>
Total to Date	\$ 42,447.34
Balance in Contract + Recommended Contingency	\$ 70,486.41

**BACKGROUND:**

There is a significant amount of chain link fencing at Heights Park and Live Oak Park. Over the years, corrosion and heavy use have caused localized deterioration. This project was included in the Capital Improvement Program to replace rusted and/or stretched fencing at various locations at these parks.

At its November 16, 2010 meeting, City Council passed a motion to:

1. Award a contract in the amount of \$90,347.00 (base bid \$84,647 plus additive alternate bid \$5,700) to Western Fencing Supply for the Manhattan Heights and Live Oak Park Fence Reconstruction Project; and,
2. Authorize the Director of Public Works to approve additional work in an amount not-to-exceed \$9,034.70 (10%), if required.

The bid proposal for the project also included an additive alternate item for sanding, priming and painting of the existing posts and top and bottom rails. Western Fencing Supply’s price for the additive alternate was \$5,700, bringing the cost of their total bid to \$90,347.00 (base bid + additive alternate).

**DISCUSSION:**

The Contractor has completed approximately 95% of work at Manhattan Heights Park, including removal of existing fence material of various heights, replacement of fence fabric, and sanding, priming and painting of the fence frame. The Contractor is currently removing existing chain link fence at the Live Oak Park upper west side.

The Contractor has submitted a request for Progress Payment No. 1 in the net amount of \$42,447.34 for work completed to date. All work items covered by this payment have been reviewed by the Public Works Department and found to be in conformance with the plans and specifications.

*Additional Change Order Authority*

The contract with Western Fencing Supply secured very competitive prices. Staff recommends that additional work be performed at contract unit prices to take advantage of the competitive prices. The City Attorney has been consulted and confirms that the California Public Contract Code provides that a Public Works Contract can be increased up to 25%. It is recommended that City Council increase change order authority of the Director of Public Works from 10% (\$9,034.70) to 25% (\$22,586.75) allowing additional fencing work at Manhattan Heights and Live Oak Park at the competitive contract prices.

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