



# 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:** April 5, 2011

**SUBJECT:** Consideration of Final Payment in the net amount of \$53,702.55 to Western Fencing Supply; Formally Accept the Manhattan Heights and Live Oak Park Fence Reconstruction Project as Complete; and Authorize Filing of the Appropriate Notice of Completion and Release Retention in the Amount of \$10,683.33

**RECOMMENDATION:**

Staff recommends that the City Council pass a motion to:

- a) Approve the issuance of a final payment in the net amount of \$53,702.55 to Western Fencing Supply for the Manhattan Heights and Live Oak Park Fence Reconstruction Project;
- b) Formally accept the Manhattan Heights and Live Oak Park Fence Reconstruction Project as complete; and,
- c) Authorize filing of the appropriate Notice of Completion and the release of retention in the amount of \$10,683.33.

**FISCAL IMPLICATION:**

| <b>Budget</b>   |                    |                    |                     |
|---|--------------------|--------------------|---------------------|
| 2009-2010 Capital Improvement Fund  | <b>CIP 07402e</b>  |                    | \$280,000.00        |
| <b>Expenditures</b>   |                    |                    |                     |
| Original Construction Contract amount (Base Bid)                              |                    |                    | \$ 84,647.00        |
| Additive Alternate  |                    |                    | \$ 5,700.00         |
| Change Order Authorization provided by City Council (25%) – February 25, 2011 |                    |                    | \$ 22,586.75        |
| Total Authorized by City Council  |                    |                    | \$112,933.75        |
|   | Net Progress Pmt.  | Retention          | <i>Total</i>        |
| Previous Payments (Progress Payment #1)                                       | \$42,447.34        | \$ 4,716.37        | \$ 47,163.71        |
| <b>Final Payment Recommended</b>  | <b>\$53,702.55</b> | <b>\$ 5,966.96</b> | <b>\$ 59,669.51</b> |
| Total Payments (Western Fencing Supply)                                       | \$96,149.89        | \$10,683.33        | \$106,833.22        |
| Total Costs   | \$96,149.89        | \$10,683.33        | \$106,833.22        |
| <b>Remaining in Contract + Change Order Authorization Amount</b>              |                    |                    | <b>\$6,100.53</b>   |

|  |                     |
|--|---------------------|
| <b>Remaining Appropriation after project completion (return to Fund Balance)</b> | <b>\$173,166.78</b> |
|--|---------------------|

**BACKGROUND:**

There is a significant amount of chain link fencing at Heights Park and Live Oak Park. Over the years, corrosion and heavy use had 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 to Western Fencing Supply for the Manhattan Heights and Live Oak Park Fence Reconstruction Project. The bid proposal for the project 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 \$84,647 + additive alternate \$5,700).
2. Authorize the Director of Public Works to approve additional work in an amount not-to-exceed \$9,034.70 (10% of contract cost) to complete unforeseen additional work.

The contract with Western Fencing Supply secured very competitive prices. At the February 15, 2011 City Council meeting, Staff recommended that additional work be performed at contract unit prices to take advantage of the competitive prices. The City Attorney confirmed that the California Public Contract Code provides that a Public Works Contract can be increased up to 25%. Consequently, City Council approved a motion to 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. Ultimately, additional fencing work in the amount of \$16,486.22 (18% over the original contract amount) was performed including additional chain link fencing at Dorsey Field and along walkways in the upper-west-side of Live Oak Park, and additional pole painting and bottom rail installation at various locations at both parks.

**DISCUSSION:**

The Contractor has completed the work and is requesting formal acceptance of the work and final payment in the amount of \$53,702.55. A ten percent (10%) retention in the amount of \$10,683.33 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.

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