



# Staff Report

## City of Manhattan Beach

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

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Neil C. Miller, Director of Public Works  
 Dana Greenwood, City Engineer  
 Ish Medrano, Engineering Technician II

**DATE:** April 3, 2007

**SUBJECT:** Disbursement of Final Payment in the net amount of \$28,080.36 to John T. Malloy, Inc.; Change Order No. 1 in the net amount of \$5,108.40; Formally Accept the Peck Reservoir Blending Line Project as Complete; and Authorize Filing of the Appropriate Notice of Completion

**RECOMMENDATION:**

Staff recommends that the City Council pass a motion to approve the issuance of the subject final payment, change order, and authorization to file Notice of Completion.

**FISCAL IMPLICATION:**

| PROJECT                         | FUNDING    | CONTRACT         | P.P.#  | AMOUNT       |
|---------------------------------|------------|------------------|--------|--------------|
| Peck Reservoir Blending<br>Line | Water Fund | \$974,380.00     | 1.     | \$313,587.00 |
|                                 |            | Change Order #1: | 2.     | \$329,697.77 |
|                                 |            | \$ 5,108.40      | 3.     | \$210,174.43 |
|                                 |            | New Contract:    | Final  | \$ 28,080.36 |
|                                 |            | \$979,488.40     | Sub:   | \$881,539.56 |
|                                 |            |                  | Ret:   | \$ 97,948.84 |
|                                 |            |                  | Total: | \$979,488.40 |

**DISCUSSION:**

***Change Order No. 1***

A total of \$1,100,000 was allocated in the Capital Improvement Program for this project. \$103,732 was spent on consultant services (design and construction engineering support), leaving \$996,268 available for construction.

At its October 17, 2006 meeting, Council awarded a contract in the amount of \$974,380.00 and authorized the Director of Public Works to approve additional work in an amount not-to exceed \$98,000, if required. This was done because projects that involve extensive trenching have a higher probability for encountering unforeseen obstacles which could warrant a change order. For example, private utility record drawings may not accurately reflect actual field conditions, resulting in additional work to avoid them. Also, unknown soil conditions may be encountered during this project.

During the course of the project, the Contractor encountered unforeseen difficulties. Specifically, during trench excavation when additional removal of A.C. pavement was required and deeper excavation of a utility vault.

This additional work resulted in a net increase to the contract cost of \$5,108.40. Staff is recommending approval of a change order in the amount of \$5,108.40, utilizing the available funds in the budgeted project account. This will bring the total cost of construction to \$979,488.40, leaving a surplus of \$16,779.60 in the project budget account.

***Final Payment***

The Contractor has completed 100% of the construction contract. Work accomplished since the last progress payment included testing and mobilization of equipment.

The Contractor has requested a final payment in the amount of \$28,080.36, and that the City formally accept the work as complete. A ten percent (10%) retention in the amount of \$97,948.84 would be released upon the expiration of 35 days from the date of formal acceptance by the Council. All work which has been inspected by the Public Works Department has been found to be in conformance with the plans and specifications.

xc: Henry Mitzner, Controller