



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Wilson and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Neil C. Miller, Director of Public Works
Dana Greenwood, City Engineer

DATE: February 1, 2005

SUBJECT: Disbursement of Final Payment in the net amount of \$53,308.60 to Value Engineering Inc.; Change Order No. 1 in the net amount of \$11,818; Supplemental Appropriation of \$12,000 from Water Fund Reserves; Amendment to Brown and Caldwell's Engineering Services Contract (\$48,000); Formally Accept the Water System Control Valve 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, supplemental appropriation, amendment to engineering services contract, and authorization to file Notice of Completion.

FISCAL IMPLICATION:

PROJECT	FUNDING	CONTRACT	P.P.#	AMOUNT
Water System Control Valve Project	Water Fund	\$562,000.00	1.	\$ 18,900.00
		Change Order #1: \$ 11,818.00	2.	\$ 30,870.00
			3.	\$ 35,910.00
		New Contract: \$573,818.00	4.	\$ 95,220.00
			5.	\$ 43,920.00
			6.	\$ 88,334.64
			7.	\$ 89,775.00
			8.	\$ 72,648.36
			9.	\$ 16,240.50
			Final:	\$ 53,308.60
		Ret.:	\$ 28,690.90	
		Total:	\$573,818.00	

BACKGROUND:

The Water System Control Valve Project, awarded to Value Engineering Inc. (\$562,000), included installation of new vaults at the Metropolitan Water District (MWD) Turnout (Redondo Avenue and Manhattan Beach Boulevard) and Peck Reservoir. New flow meters were installed at Block 35 and the MWD Turnout. Radio communication was established between Block 35 and the MWD Turnout. Finally, all the computerized control hardware at Block 35, Peck Reservoir, the MWD Turnout, and the Public Works Yard were updated.

DISCUSSION:

Additional Work

During the course of the project, the Contractor encountered unforeseen difficulties. Specifically, at the MWD Turnout, the alignment of the City's eighteen-inch water main in the field did not match what was shown on the record drawings. The Contractor spent additional time and materials installing the new bypass connection per the contract.

The change order work consisted of this additional excavation and pipe fittings, installation of an additional flow meter at Block 35, and redesign of the pump control panels at Block 35 and Peck Reservoir to reflect field changes in the control valve operations.

This additional work resulted in a net increase to the contract cost of \$11,818. Staff is recommending approval of a change order in the amount of \$11,818. Staff is also recommending approval of a supplemental appropriation in the amount of \$12,000 from the Water Fund Reserve account to fund this additional work. This will bring the total cost of construction to \$573,818.

System Programming Services

Because of the specialized nature of the contract work, staff retained the services of the design consultant during construction. Funds were included in the project budget for programming by the Consultant. However, it was not known at the start of construction how significant the programming effort would be. The consultant used two sub-consultants that were familiar with water systems, one specialized in programming the Programmable Logic Controllers (PLCs) at Block 35, Peck Reservoir, and the MWD Turnout. The other sub-consultant handled revising the overall system computer program. Their services were billed on an hourly basis, and used only as necessary. These additional programming services added \$48,000 to the original engineering services contract (\$162,950), bringing the total contract to \$210,950 (includes design and contract administration).

Final Payment

The Contractor has completed 100% of the construction contract. Work accomplished since the last progress payment includes switching over to the new PLCs at the three sites, and testing the new control system logic.

As part of the final progress payment, the Contractor has requested a reduction in the retention to 5% of the contract amount in accordance with Section 9-3.2 of the Project Specifications. The quality of the work by the Contractor has been very good. A check of the Contractor's material suppliers and subcontractors indicates that he is current on his accounts. Staff therefore recommends reducing the retention to 5% at this time.

The Contractor has requested that the City formally accept the work as complete. A five percent (5%) retention in the amount of \$28,690.90 would be released upon the expiration of 35 days from the date of formal acceptance by the Council. As noted above, 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