



City of Carson Report to Mayor and City Council

May 9, 2011
New Business Consent

SUBJECT: CONSIDERATION TO ACCEPT AS COMPLETE PROJECT NO. 1240: ANNUAL CONCRETE MAINTENANCE REPLACEMENT PROGRAM, VARIOUS LOCATIONS

Submitted by M. Victor Rollinger
Development Services General Manager

Approved by Clifford W. Graves
Interim City Manager

THIS IS A JOINT AGENDA ITEM

I. SUMMARY

Project No. 1240 [Federal CDBG-R No. B-09-MS-06-0514]: Annual Concrete Maintenance Replacement Program, Various Locations (Exhibit Nos. 1 and 2) has been completed in accordance with approved plans and specifications.

It is requested that the City Council accept the work as complete and authorize staff to file the Notice of Completion.

II. RECOMMENDATION

TAKE the following actions:

1. ACCEPT as complete Project No. 1240 [Federal CDBG-R No. B-09-MS-06-0514]: Annual Concrete Maintenance Replacement Program, Various Locations.
2. APPROVE a Mutual Release and Settlement Agreement between the City of Carson / Carson Redevelopment Agency and American Contractors Indemnity Company, the bonding company for Project No. 1240 [Federal CDBG-R No. B-09-MS-06-0514]: Annual Concrete Maintenance Replacement Program, Various Locations.
3. AUTHORIZE payment to American Contractors Indemnity Company, the bonding company for Project No. 1240 [Federal CDBG-R No. B-09-MS-06-0514]: Annual Concrete Maintenance Replacement Program, Various Locations, in the amount of \$82,509.07.
4. AUTHORIZE staff to file a Notice of Completion.

III. ALTERNATIVES

1. DO NOT ACCEPT the project as complete. However, Civil Code Section 3093 requires a Notice of Completion to be filed for record within 10 days, upon the completion and settlement of all public works project claims, if any.
2. TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The annual concrete maintenance replacement program is listed in the city's Capital Improvement Program (CIP) for FY 2009/10 under Project No. 1240.

The concrete maintenance replacement program calls for the repair of damaged sidewalks, driveway approaches, cross gutters, curbs and gutters, access ramps and tree removal. Staff completed a survey of the city to identify street locations that require repair to restore concrete improvements to city standards and Americans with Disabilities Act (ADA) requirements. In addition, community service requests were inspected, evaluated against city standards and, as appropriate, included in this project.

The project focuses on one city area or zone for its annual program, in order to obtain lower unit pricing. Additionally, this project was combined with the Community Development Block Grant Recovery (CDBG-R) project to further enhance the economy of scale.

The U.S. Department of Housing and Urban Development (HUD) and the Housing and Neighborhood Development Division of the Economic Development Work Group administer the CDBG-R. The HUD requires the recipients of the CDBG-R funds to prepare Substantial Amendments to their Program Year 2008 - 2009 Annual Action Plans and obtain approval from HUD.

The city has met the HUD requirements for amending the Program Year 2008 - 2009 Annual Action Plans and HUD has indicated that the City of Carson is eligible to receive as much as \$295,080.00 in a supplemental allocation of CDBG-R funds authorized under the American Recovery and Reinvestment Act of 2009 (ARRA) (Exhibit No. 3).

For this project, staff concentrated on the CDBG-R area within zone 4, which has the highest need. This was done in order to prevent additional deterioration of existing Portland Cement concrete and asphalt concrete improvements.

The attached Location List identifies the street names, addresses and limits of the concrete replacement program areas.

On October 6, 2009, the City Council / Redevelopment Agency Board approved the plans, specifications and estimates (PS&E), ordered the work and authorized

the staff to advertise the work and call for bids for Project No. 1240: Annual Concrete Maintenance Replacement Program, Various Locations (Exhibit No. 4).

On December 1, 2009, the City Council / Redevelopment Agency Board awarded a construction contract for Project No. 1240 in the amount of \$555,359.00, to the lowest responsible bidder, Pivot Group, Inc. (Exhibit No. 5).

In September 2010, the City Council / Redevelopment Agency Board received notification that six of the subcontractors subcontracted by Pivot Group, Inc. had not received their payments and they had filed Stop Notices in addition to State of California, Department of Industrial Relations (DIR) claims for wages due and penalties. Several attempts were made by staff to re-enforce the contractor's obligations to settle all subcontractors and suppliers claims. Subsequently, the subcontractors and DIR obtained bonding company information from American Contractors Indemnity Company, and filed claims against the contractor.

On April 5, 2011, the Engineering Services Division received a settlement agreement from American Contractors Indemnity Company indicating that payments were made to six subcontractors and DIR, and requested that the city pay any available funds due to the contractor for this project to American Contractors Indemnity Company (Exhibit No. 6).

The available funds in the amount of \$82,509.07 due the contractor are a combination of the project retention (10%) and funds for actual work performed by the contractor that were held by the City Council / Redevelopment Agency Board due to the Stop Notices. The City Council / Redevelopment Agency Board is indemnified from future payments to subcontractors based on California Civil Code Section 3186 and Section 3210.

V. FISCAL IMPACT

The total construction cost of this improvement project is \$549,398.86. Funds, in the amount of \$600,000.00 for this project were included in the FY 2009/10 CDBG-R fund, Proposition 1B-LSR and Gas Tax funds.

The distribution of the approved contract amount and actual expenditure for this project is as follows:

Description	Approved Contract Amount	Actual Expenditure
Pivot Group, Inc: construction contract	\$535,359.00	\$535,359.00
Pivot Group, Inc.: contingency for change orders, additional re-measured quantities and extra work	44,641.00	9,709.35
Work completed by the city work force	n/a	3,027.18
Material Testing Service Agreement	n/a	0.00
Advertising	n/a	1,303.33
PLA monitoring service agreement. The contractor is a member of the Construction Labor Union of Southern California	n/a	0.00
TOTAL CONTRACT COST	\$600,000.00	\$549,398.86

The project cost summary is shown below:

Fund Source	Account No.	Allocated Amount	Actual Expenditure
Proposition 1B-LSR fund	66-80-999-004-8020/0124001	\$269,126.00	\$256,318.86
CDBG-R fund	15-70-501-004-8020/0124001	295,080.00	295,080.00
Gas Tax fund	12-80-999-004-8020/0124001	35,794.00	0.00
Total Cost		\$600,000.00	\$549,398.86
Staff Costs		n/a	71,784.32
TOTAL PROJECT COST			\$621,183.18

VI. EXHIBITS

Exhibits listed below are included with the Carson Redevelopment Agency Joint item.

1. Location Map. (pg. 6)
2. Location List. (pgs. 7-16)
3. CDBG-R information. (pgs. 17-23)

4. Minutes, October 6, 2009, Item No. 5. (pg. 24)
5. Minutes, December 1, 2009, Item No. 5. (pg. 25)
6. Settlement agreement from American Contractors Indemnity Company.
(pgs. 26-49)

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TO: Rev032811

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by City Council

Date _____ Action _____