



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE:** AUGUST 4, 2009

**ITEM NUMBER:**

**SUBJECT:** COSTA MESA POLICE FACILITY EXPANSION AND RENOVATION PROJECT -  
CITY PROJECT NO. 06-08

**DATE:** JULY 23, 2009

**FROM:** PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

**PRESENTATION BY:** PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES

**FOR FURTHER INFORMATION CONTACT:** ERNESTO MUÑOZ, CITY ENGINEER, (714) 754-5335

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## **RECOMMENDATION:**

1. Accept the work performed by USS Cal Builders, Inc., and authorize the City Clerk to file the Notice of Completion.
2. Release the Labor and Material Bond seven (7) months after the filing date; release the Faithful Performance Bond one year after the filing date; and release the remaining retention monies 35 days after the Notice of Completion filing date, less any withholding required to satisfy any outstanding Stop Notices.

## **BACKGROUND:**

On September 19, 2006, a construction contract in the amount of \$18,194,000.00 was awarded to USS Cal Builders, Inc., 8051 Main Street, Stanton, California, 90680. The project consisted of the 11,000 square-foot expansion to the existing Police Department building; the renovation and seismic retrofit of the existing building; and the construction of additional parking areas.

The project was completed in three (3) phases in order to accommodate proper sequencing and still maintain full service to the public.

The first phase involved the construction of the new addition and the new parking lot adjacent to the Communication's Building. The new addition included new offices for the Property & Evidence Bureau, the Narcotics Bureau, and Crime Scene Investigations. The work in the new addition also included the new Emergency Operations Center (EOC) with a full audio visual system, replacing the undersized and outdated EOC located on the 2<sup>nd</sup> floor of the existing facility.

During the second phase of the project, the majority of the City staff working in the Police Department Building were relocated to temporary office trailers adjacent to City Hall. The scope of work for this phase included the complete rehabilitation and remodel of the existing building with the exception of the Detective Bureau, which temporarily housed the Records Bureau.

The third and final segment of the project was completed in December 2008 and involved renovation of the section of the existing Police Department Building that housed the Detective Bureau.

There were 24 subcontractors under the general contractor performing the majority of the specialty trades. In addition to the general construction contract, the Engineering Division issued 12 separate construction and professional services contracts, and managed and processed 93 purchase orders for incidental work required for the project.

**ANALYSIS:**

The work required by the contract documents was completed on April 1, 2009 to the satisfaction of the City Engineer. The final contract cost amounted to \$19,251,822.06. A report of the final costs is shown herein as Attachment "1".

A summary of the costs is as follows:

Original Contract Cost:	\$18,194,000.00
Change Order Nos. 1 - 213:	<u>\$ 1,057,822.06</u>
Final Contract Cost:	\$19,251,822.06

The Change Orders processed by City staff were required to authorize the contractor to perform extra work that was determined to be necessary during the course of the project. A summary of each of the Change Orders is included as Attachment "2". The final contract price reflects a 5.81% increase to the original contract as a result of the cumulative Change Orders. The final contract price also reflects a 1% savings from the original Engineer's estimate for the project of \$19,445,000.

Engineering staff has collected and reviewed all labor compliance documents for adherence with the project guidelines.

Currently, there are two Stop Notices filed against the monies due to USS Cal Builders, Inc. for a total amount of \$85,906.76. One Stop Notice pertains to a disputed underpayment to the Southern California Pipe Trades Trust Funds by USS Cal Builders, Inc. in connection with the labor provided on this project, which is currently under litigation. The second Stop Notice is currently being processed and pertains to a balance due to a materials supplier. The City is withholding \$961,424.76 from payments due to USS Cal Builders, Inc. City staff will continue to withhold from the retention monies the disputed amounts plus sufficient funds to cover litigation fees incurred by the City (if any) until the City is fully released.

**ALTERNATIVES CONSIDERED:**

There were no alternatives considered for this item.

**FISCAL REVIEW:**

In September 2006, staff prepared an overall project budget in the amount of \$27,122,692 for full funding of the project. A resolution was approved by City Council on December 5, 2006, authorizing staff to proceed with the delivery of the City of Costa Mesa 2006 Certificates of Participation for the funding of the project in a principal amount not to exceed \$30,205,000.

The project's total expenditures were \$23,756,680 or 88% of the budgeted amount.

**LEGAL REVIEW:**

There is no legal review required on this item.

**CONCLUSION:**

The Costa Mesa Police Facility Expansion and Renovation Project has been completed on schedule and well under budget. It is recommended that the City Council authorize staff to file the Notice of Completion; release the remaining retention monies 35 days after the Notice of Completion filing date (less any withholding required to satisfy any outstanding Stop Notices); and release the bonds accordingly.

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ERNESTO MUÑOZ  
City Engineer

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PETER NAGHAVI, Director  
Department of Public Services

ATTACHMENTS:    "1"    [Cost Summary](#)  
                      "2"    [Change Order Summary](#)

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