



CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 19, 2011

ITEM NUMBER:

SUBJECT: PARKWAY CONCRETE REPAIR AND NEW SIDEWALK CONSTRUCTION PROJECT - CITY PROJECT NO. 10-05

DATE: APRIL 7, 2011

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

RECOMMENDATION:

1. Accept the work performed by D.P. Mangan, Inc. dba (Pave West), 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 (1) year after the filing date; and release the retention monies 35 days after the Notice of Completion filing date.

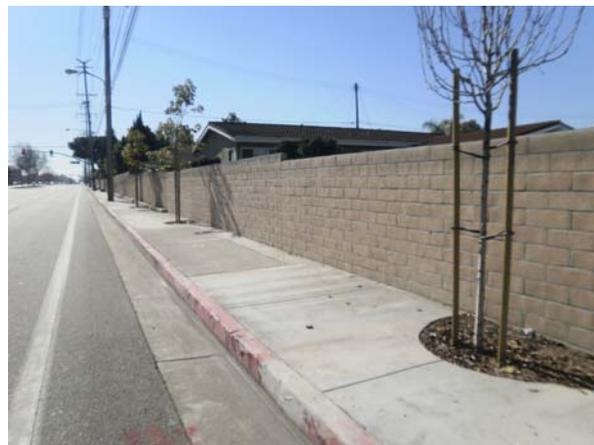
BACKGROUND:

On June 15, 2010, a construction contract in the amount of \$282,565.00 was awarded to D.P. Mangan, Inc. dba (Pave West), 551 South Harbor Boulevard, La Habra, California, 90631.

The scope of work for this contract consisted of localized reconstruction of curb and gutter, cross gutter and spandrels, sidewalks, and a driveway/driveway approach. In addition, the contractor was required to remove and replant trees that were causing damage to the parkway improvements, and the reconstruction of portions of the block walls along Fairview Road. All of the work was performed in accordance with the contract documents.



Before construction



Construction Completed

ANALYSIS:

Over two-thirds of the work contained within the contract documents was completed by Pave West as of December 1, 2010 to the satisfaction of the City Engineer. The City was presented with several issues while managing Pave West under this contract.

The work performed was significantly deficient in manpower and equipment, which resulted in a longer period to construct the work, leading to a greater inconvenience to the adjacent residents. This deficiency resulted in subsequent corrective work to be performed by Pave West prior to acceptance, in compliance with the standards established by the contract documents.

Furthermore, Stop Notices have been filed on this project and Pave West has requested two-party joint checks be issued in lieu of a direct payment to their firm. The requests for joint checks are for amounts being claimed as unpaid bills by either subcontractors and/or suppliers to Pave West.

Based on the information presented above, it is staff's opinion that the balance of uncompleted work should be cancelled. Pave West has agreed to this action. Staff has analyzed the balance of work to be performed for this contract and has determined that it can be performed under a separate contract by others at a similar price for the City.

The final contract cost of the completed work amounted to \$190,000.00, which reflects a thirty-two percent (32%) decrease to the original contract as a result of the cancellation of the unfinished work. A report of the final costs is shown herein as Attachment 1, with the summary of the contract costs as follows:

Original Contract Amount:	\$ 282,565.00
Final Quantity Adjustment (Work Uncompleted)	(\$ <u>92,565.00</u>)
Final Contract Cost:	\$190,000.00

A listing of the parkway repair and new sidewalk construction locations that were completed is shown herein as Attachment 2. Each street was reviewed, prioritized, and repaired based on the City's parkway repair criteria.

As of this date, there are four Stop Notices filed against the monies due to Pave West. The City will continue to withhold the necessary funds from the contractor's retention monies to satisfy these Stop Notices should they be litigated.

ALTERNATIVES CONSIDERED:

The alternative to the recommendation herein would be to allow Pave West to continue working on the contract. This alternative is not recommended due to Pave West's performance on this contract to date which has not demonstrated the willingness or capability to meet the contract standards set forth within the contract documents.

FISCAL REVIEW:

This project was funded by Gas Tax and Proposition 1B revenues.

LEGAL REVIEW:

There is no legal review required on this item.

CONCLUSION:

As discussed above, approximately 68% of the work for the Parkway Concrete Repair and New Sidewalk Construction Project, City Project No. 10-05 performed by D.P. Mangan, Inc. dba (Pave West), has been completed. It is recommended that the City Council authorize staff to file the Notice of Completion; release any remaining retention monies that are not subject to withholding due to Stop Notices that have been received within 35 days after the Notice of Completion filing date; and release the bonds accordingly.

ERNESTO MUÑOZ
City Engineer

PETER NAGHAVI, DIRECTOR
Department of Public Services

ATTACHMENTS: "1" [Cost Summary](#)
 "2" [List of Locations - Completed](#)

DISTRIBUTION: Chief Executive Officer
 City Attorney
 City Clerk
 Staff
 File