



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 3, 2015

ITEM NUMBER: CC-8

SUBJECT: INDUSTRIAL WAY WATER QUALITY AND STORM DRAIN IMPROVEMENTS, CITY PROJECT NO. 14-08

DATE: OCTOBER 22, 2015

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: FARIBA FAZELI, CITY ENGINEER, (714) 754-5335

RECOMMENDATION:

1. Approve Change Order Number 3 (Attachment 1) in the amount of \$216,266.32;
2. Accept the work performed by Lonerock, Inc. and authorize the City Clerk to file the Notice of Completion;
3. 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:

The Industrial Way Water Quality and Storm Drain Improvements project consisted of the construction of a detention/infiltration basin at Lions Park within the open space area adjacent to Anaheim Avenue, located between the Historical Society (HS) and the Downtown Recreation Center (DRC), and a parallel reinforced concrete box drain system on Anaheim Avenue between Plumer Street and 18th Street; and all other tasks necessary to perform and complete the work as required by the contract documents. This project provides additional flood protection to the City's Westside by diverting and storing approximately 1.2 million gallons of storm runoff during a typical rain storm. The system detains and infiltrates runoff, thereby increasing the capacity of the Westside watershed storm drain system. This project also provides significant environmental benefits by removing pollutants and debris from the City's storm drain system, by preventing them from reaching the coastal waters and beaches, and by naturally treating dry weather runoff and rain's "first flush".

On June 17, 2014, the City Council awarded a construction contract to Lonerock, Inc., 70 Domani, Irvine, CA 92618, in the amount of \$2,553,940.00 for the construction of the Industrial Way Water Quality and Storm Drain Improvements project.

ANALYSIS:

The overall scope of work for the Industrial Way Water Quality and Storm Drain Improvement Project has been completed to the satisfaction of the City Engineer. In addition to the construction of the detention/infiltration basin, and the construction of a parallel storm drain system, the work included pavement resurfacing of Anaheim Avenue along with the Lions Park complex impacted parking lot areas, and the complete relandscaping of the basin area with a colorful drought tolerant plant palette design.



Rain water storage system being installed



Completed project with new drought-tolerant landscape

Pursuant to Council Policy No. 700-1, the Chief Executive Officer (CEO) approval is required for contract change orders up to \$50,000, or 5% of the original contract price, whichever is greater. Therefore, Change Order No. 1 in the amount of \$47,333.88 was approved by the CEO on January 7, 2015 (Attachment 2). City Council Policy No. 700-1 also restricts the total Change Orders approved by the CEO to 10% of the original contract amount. In accordance with this policy, Change Order No. 2 in the amount of \$397,952.00 was approved at the May 5, 2015 regular Council meeting (Attachment 3). Therefore, Change Order No. 3 (Attachment I), in the amount of \$216,266.32 is being requested for Council approval with this project acceptance.

Change Order No. 3 compensates Lonerock, Inc., for all cost of unforeseen work performed during the construction of the Industrial Way Water Quality and Storm Drain Improvements project resulting in extra cost beyond the original contract scope of work, and includes all work which was not included with Change Orders No. 1 and No. 2. During the close-out phase of the project, the contractor submitted the following claims for extra work performed in the amount of \$216,266.32:

- Additional costs for which documentation was not available with the original time and materials tickets for work completed with prior change orders in the amount of \$79,650.54. This work entailed the removal of an abandoned swimming pool at the project site, and the utility conflicts that were encountered during the placement of the 12 foot diameter pipe. This cost include equipment and labor.
- The balance of \$136,615.78 compensates the contractor for increased overhead required during the overall duration of the project. Overhead costs were incurred by the contractor during additional contract days the contractor was directed to perform work related to the unforeseen utility conflicts and removal of the abandoned swimming pool. The costs include additional office staffing, office equipment, rental of security fencing, and secured storage facilities.

With approval of Change Order No. 3 the cumulative total of change orders to date will increase the original contract amount to \$3,215,492.20 or an increase of 25.9% over the original contract price. A report of the final cost summary is included herein as Attachment "4."

A summary of the project costs is as follows:

Original Contract Cost:	\$2,553,940.00
Change Order No. 1:	\$ 47,333.88
Change Order No. 2:	\$ 397,952.00
Change Order No. 3:	<u>\$ 216,266.32</u>
Final Contract Cost:	\$3,215,492.20

Change Order No. 1 in the amount of \$47,333.88 (Attachment 2) was for unforeseen utility work that was encountered while installing the reinforced concrete box along Anaheim Street.

Change Order No. 2 in the amount of \$397,952.00 (Attachment 3) was for the removal of a buried swimming pool, additional asphalt quantities to restore the parking lot; additional quantities to provide handicap ramps and ADA paths of travel, and the installation of drought tolerant landscaping to replace grass.

Change Order No. 3 in the amount of \$216,266.32 (Attachment 1), compensates the contractor for time and materials costs associated with additional work as described above, and required to complete the project.

As of this date, there are no Stop Notices filed against the monies due to Lonerock, Inc.

ALTERNATIVES CONSIDERED:

No alternatives are being considered for this item.

FISCAL REVIEW:

The Engineering Division of the Public Services Department captured grant funding from the Measure M2 Environmental Cleanup Program (ECP), Tier 2 for this project. The grant will cover 60 percent of the total project cost up to \$2.8 million. The City allocated its funding match from available Drainage Fee revenues and in-kind services performed by Engineering Division staff. City Council has recognized the grant and allocated \$3,371,600 for this project in Fiscal Year 2013-2014.

The original construction contract in the amount of \$2,553,940 was approximately \$817,660 under budget. Thus, sufficient funding is currently available for this project to cover all change orders and no additional appropriations are needed at this time.

LEGAL REVIEW:

There is no legal review required for this item.

CONCLUSION:

The overall scope of work for the Industrial Way Water Quality and Storm Drain Improvement Project has been completed. Staff is recommending that the City Council approve Change Order No. 3 in the amount of \$216,266.32; authorize staff to file the Notice of Completion; release the remaining retention monies 35 days after the Notice of Completion filing date; and release the bonds accordingly.

ERNESTO MUNOZ
Public Services Director

FARIBA FAZELI
City Engineer

ATTACHMENTS: 1 – [Change Order No. 3 for \\$216,266.32](#)
2 – [Change Order No. 1 for \\$47,333.88](#)
3 – [Change Order No. 2 for \\$397,952.00](#)
4 – [Cost Summary](#)

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