

MEETING DATE: 5/10/10

AGENDA ITEM: JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM:
(1) PUBLIC HEARING (FOUR AFFIRMATIVE VOTES REQUIRED) – Award of Various Contracts for the Completion of the Construction of Fire Station No. 3 Project, P-857; (2) Approval of an Amendment to the Existing Professional Services Agreement with RTI Consulting, Inc. for Construction Management Services for the Fire Station No. 3 Project, P-857; and (3) Redevelopment Agency Board Authorization to Reimburse the City for Fifty Percent of the Total Cost of the Remaining Work.

ATTACHMENTS

		<u>Pages</u>
1	List of recommended contractors and estimated bid amounts for all work needed to complete construction of the Project	1-2
2	RTI Consulting, Inc. Proposal dated April 20, 2010	3-4
3	March 1, 2010 City Council/Redevelopment Agency Joint Agenda Item: (1) Termination of the Contract with FEI Enterprises, Inc., for the construction of Fire Station No. 3, Project P-857, (2) Authorization to File a Notice of Cessation, and (3) Authorization to Release a Portion of the Project Retention Funds. (without attachments) and Minutes	5-8

CULVER CITY FIRE STATION NO. 3

List of Recommended Contractors and Estimated Bid Amounts for All Work Needed to Complete Construction of the Project

ITEM NUMBER	DESCRIPTION OF ITEM	RECOMMENDED CONTRACTOR / VENDOR	ESTIMATED BID AMOUNT
Item 1	Miscellaneous electrical rework; install two single door map cases; replace sheet metal downspouts with cast iron piping; install ceiling fans; provide stucco wood framing repair to parapet wall at top landing of exterior stairway; and install new BBQ	Precision One	\$ 10,000
Item 2	Add railing to parapet wall at top landing of exterior stairway; add bends to stairway hand rails; and install prefabricated ladder for roof access	V.I.P. Iron Works, Inc.	\$ 3,000
Item 3	Purchase two single door map cases	Poblocki Sign Company ***	\$ 5,200
Item 4	Remove and replace concrete slabs in many areas due cracking caused by improper joint control; install concrete landing at rear kitchen door; and install proper curb cut at southerly landscape area adjacent to main driveway	American Quality Builders	\$ 37,000
Item 5	Purchase Turbo STS 4 burner BBQ	Barbeques Galore***	\$ 1,700
Item 6	Remove and replace incorrect roof patches and install new densdeck and tapered insulation at low roof on north side of second floor	Westway Construction Inc. ***	\$ 4,500
Item 7	Furnish and install television mounts at various locations	Haas Entertainment	\$ 7,500
Item 8	Provide and install pedestrian gate lock protection and electrical interface with swing gate at north driveway	C & H Gates	\$ 1,600
Item 9	Uncover and correct wiring defects along irrigation piping; connect system to Calsense control panel; investigate and correct low pressure flows at north and east side of project; and perform landscape maintenance	American Gardens*** (Estimate)	\$ 15,000
Item 10	Install soap dispensers in bathroom areas	Stumbaugh***	\$ 300
Item 11	Install glass doors in day room cabinets	Precision One	\$ 1,500
Item 12	Install proper wiring in rear kitchen door and connect to Hirsch pad system	Master Technology Integrators, Inc.***	\$ 1,200
Item 13	Attic Stock not furnished by FEI. Items to be determined by Maintenance Facilities Staff	TBD	\$ 3,500
Subtotal of Recommended Contractor Estimated Bid Amounts			\$ 122,000

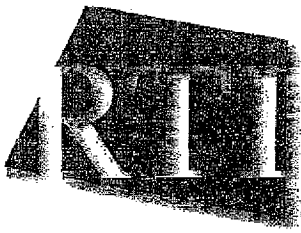
***Original subcontractor to FEI on Fire Station No. 3

CULVER CITY FIRE STATION NO. 3

List of Recommended Contractors and Estimated Bid Amounts for All Work Needed to Complete Construction of the Project

ITEM NUMBER	DESCRIPTION OF ITEM	RECOMMENDED CONTRACTOR / VENDOR	ESTIMATED BID AMOUNT
Item 14	Repair and clean CMU exterior walls. Caulk between stucco & masonry NW corner	American Quality Builders	\$ 900
Item 15	Electrical outlet changes in kitchen and BBQ. Include mounting of the dedication plaque and repair of the wall	Precision One Construction	\$ 2,000
Item 16	Install new fresh air vent in metal door at air compressor closet	V.I.P. Iron Works	\$ 800
Item 17	Painting of rooftop vent piping, rooftop ladders, electrical weatherheads and the emergency generator exhaust piping. Misc. interior paint touch-up (note this is not a full repaint only selective locations)	Nano Painting	\$ 2,500
Item 18	Revise the plymovent exhaust piping for the rescue vehicle exhaust	Air Cleaning Services***	\$ 8,200
Item 19	Extend the air compressor feeds into the work room	Russell's Plumbing	\$ 2,500
Item 20	Purchase replacement dedication plaque at entry	H. Toji & Company ***	\$ 2,100
Subtotal of Trade/Vendor Costs (Page 2)			\$ 19,000
Grand Total Trade/Vendor Costs			\$ 111,000

*** Original Subcontractor to FEI on Fire Station No. 3



Consulting, Inc.

City of Culver City Public Works Department
Engineering Division, 2nd floor
P.O. Box 507
9770 Culver Boulevard
Culver City, California 90232-0507

April 20, 2010

Attn: Andy O'Connell, Senior Civil Engineer

RE: Culver City Fire Station No. 3 New Construction Project
Construction Management Services – Work to Complete Scope

Dear Andy:

At your request RTI Consulting Inc. has prepared a proposal for assisting the City in addressing the work required to be completed at the **Culver City Fire Station No. 3 Construction Project** in order to allow for the Fire Department to fully occupy the new facility.

Based upon the work to complete list prepared by RTI Consulting updated February 2, 2010, our plan is to go out to the responsible trades who performed satisfactorily on various aspects of the fire station project. We would secure their commitment on schedule and cost to complete the items identified in the completion list. Where no trade was utilized in the original construction, our plan is to reach out to specific trades, formalize a proposal for work to be performed directly for the CCPW and then follow the process through completion and acceptance by the CCPW and CCFD. Please note that each trade will become "Prime Contractors" and the process of Construction is "CM with Multi-Primes". Once the work has been accepted by the required agencies, we would coordinate the close-out documentation and final payment processes in order to fully bring closure to this project. We have under separate cover attached the Exhibit "B" for the construction management services to be provided for this project.

We are comfortable that once released to proceed we will be able to move the process forward in a consistent and timely manner.

Sincerely,

RTI Consulting Inc.

Robert E. Neiworth

Principal

Cc: Culver City Fire Station No. 3

8325 McConnell Avenue

Westchester, CA 90045

Tel: 310.670.5977

e-Fax: 310.919.3030

www.rti.com

Culver City Fire Station No. 3
Work to Complete CM Service Schedule

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	Construction Management Services	Based upon 8 week period from Council release to completion		
	Fee Computation			
	Work to Complete List	Construction Management (hrs)	Construction Management rate	Construction Management total
1	Prepare Proposal scopes of work and Contract agreements for work to be completed. Attend council meetings as required for approvals.	35	\$ 135.00	\$ 4,725.00
2	Perform Daily Job walks/Document progress. Prepare weekly project schedules identifying work to be performed and coordination with City departments	90	\$ 105.00	\$ 9,450.00
3	Coordinate Contractor requirements with City Agencies	24	\$ 105.00	\$ 2,520.00
4	If Certified Payroll documentation required from trades, provide monitoring and managing paperwork from each trade	Not Required	Not Required	Not Required
5	Review Payment Applications and prepare Recommendations, Review Waivers and Lien releases.	36	\$ 85.00	\$ 3,060.00
6	Coordinate with Testing & Inspection agencies	12	\$ 105.00	\$ 1,260.00
7	Review and distribute Submittals, RFI's and Completion lists	8	\$ 135.00	\$ 1,080.00
8	Close-out documentation & Final Payment processes	24	\$ 135.00	\$ 3,240.00
	Totals for CM Services to complete tasks	229		\$ 25,335.00

Assumptions:

- 1 This Consultant will not provide fulltime staff to this project nor maintain an onsite office. To do so would require a modification to this exhibit.
- 2 Reporting requirements are reduced to specific reports on progress, issues, changes and/or completion. .
- 3 Each Prime Contractor has the responsibility for site safety, has not based their costs on prevailing wage compliance, they have based their costs on quality workmanship.

City of Culver City, California
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Meeting Date: 03/01/2010		Item Number: J-1	
CITY COUNCIL / REDEVELOPMENT AGENCY JOINT AGENDA ITEM: (1) Termination of the Contract with FEI Enterprises, Inc. for the Construction of Fire Station No. 3, Project P-857, (2) Authorization to File a Notice of Cessation, and (3) Authorization to Release a Portion of the Project Retention Funds.			
Contact Person/Dept.: Andy O'Connell/PW		Phone Number: (310) 253-5606	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Meetings and Agendas – City Council (02/24/10) and FEI Enterprises, Inc. (02/24/10)			
Department Approval: Charles Herbertson (02/23/10)		City Attorney Approval: Carol Schwab (by H. Baker) (02/23/10) Agency General Counsel: Murray Kane (02/24/10)	
Chief Financial Officer Approval: Mark Scott (by N. Kimball) (02/23/10)		City Manager/Executive Director Approval: (02/24/10)	

RECOMMENDATION:

Staff recommends that the City Council 1) terminate the contract with FEI Enterprises, Inc. for the construction of Fire Station No. 3, Project P-857; 2) authorize the filing of a Notice of Cessation; and 3) authorize the release of a portion of the retention after the expiration of the 35-day lien period and the clearance of all stop notices.

Staff recommends that the Redevelopment Agency Board terminate the contract with FEI for the construction of Fire Station No. 3, RDA Project (55393700).

BACKGROUND:

On June 18, 2007, at a joint City Council/Redevelopment Agency meeting, FEI Enterprises, Inc. ("FEI") was awarded a contract for the construction of the new Fire Station No. 3 located at 6030 Bristol Parkway (the "Project"). Work started on the Project on August 7, 2007, with a contract duration of 345 days and formal completion date of July 16, 2008. During the first year of work, the contract duration was formally extended to September 11, 2008 due mostly to rain delays.

Between January 9, 2009 and February 18, 2009, after the untimely death of the City's construction manager, work on the Project was suspended. Upon recommencement of the work, FEI provided the City with assurances the Project would be completed by the end May 2009. Despite the fact that this "new"

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completion date was eight months after the last approved completion date (September 11, 2008), FEI was unable to complete the Project by the May 2009 deadline and continued providing the City with new completion dates that were never met. Finally, in November 2009, the City informed FEI that the Project must be completed by December 11, 2009, and the cost of all unfinished work would be deducted from their final payment. On December 28, 2009 a formal letter (Attachment 1) was sent to FEI stating the Project was substantially complete on December 11, 2009 and the cost of all corrective work (Attachment 2) would be submitted to FEI as a deductive change order. On February 9, 2010, the deductive change order was mailed to FEI by certified mail and was received by FEI on Thursday February 11, 2009 (Attachments 3 and 4). FEI was instructed to review and sign the deductive change order within five days of its receipt. Liquidated damages of approximately \$385,000 (\$1,000 per day) for Project delay were also included in the deductive change order as allowed in the contract documents. Staff has calculated an increase in contract time of 61 days which reflects all of the reasonable delays, beyond September 11, 2008, caused by the temporary shutdown, rain, and change order work (Attachment 5). Subtracting the deductive change order amount of \$358,860.21 from the remaining FEI contract balance of \$296,519.77 leaves FEI owing the City \$62,340.44. FEI has declined to sign the deductive change order.

DISCUSSION:

In order to release the undisputed retention funds and move forward with the completion of the final corrective work and complete the Project, staff recommends the City and Agency terminate the contract with FEI for convenience per Section 14.4 of the contract documents (Attachment 6). Subsection 14.4.3 of the contract documents states that the contractor is entitled to reasonable overhead and profit on work not executed. Applying a 15% rate on the estimated cost to complete the unfinished work (\$94,250.00), the overhead and profit amount is determined to be \$14,137.50. Subtracting that amount from the \$62,340.44 that FEI owes the City, leaves a balance due to the City of \$48,202.94. The provisions of the contract documents, as well as State Law, allow the City to withhold 150% of the disputed amount from the retention funds, which amounts to \$72,304.41. Staff recommends the City Council authorize the release of a portion of the retention (less 150% of the disputed amount) in the amount of \$427,483.63 after the expiration of the 35-day lien period and clearance of all stop notices

FISCAL ANALYSIS:

In addition to the original retention amount of \$499,788.04, which is currently held in an escrow account, there is \$370,763 remaining in the Fire Station No. 3 project budget (42000857). The City may authorize release of the \$427,483.63 retention payment, after all legal obligations have been met by FEI, including the clearance of

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all stop notices. This will leave a total remaining project budget of approximately \$440,000 which will be used to complete any remaining work and other contractual obligations. Staff expects the final Fire Station No. 3 Project to be completed under budget due primarily to the liquidated damages charged against FEI due to Project delays.

ATTACHMENTS:

1. Substantial Completion Letter, dated December 28, 2009
2. Estimated Cost to Complete Work
3. Deductive Change Order Letter, dated February 9, 2010
4. Deductive Change Order
5. Liquidated Damages Calculation
6. Section 14.4 of Contract documents

MOTION:

That the City Council:

1. Terminate the contract with FEI Enterprises, Inc. for the construction of Fire Station No. 3, Project P-857 per Section 14.4 of the contract documents; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City; and,
4. Authorize the City Manager to execute the Notice of Cessation and submit it to the Los Angeles County Recorder's office; and,
5. Authorize the release of a portion of the retention (less 150% of the disputed amount) in the amount of \$427,483.63 following the expiration of the 35-day lien period and the clearance of all stop notices.

That the Redevelopment Agency Board:

1. Terminate the contract with FEI Enterprises, Inc. for the construction of Fire Station No. 3, Project P-857 per Section 14.4 of the contract documents.
2. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
3. Authorize the Executive Director to execute such documents on behalf of the City.

March 1, 2010

Joint Item

Item J-1

(1) Termination of the Contract with FEI Enterprises, Inc. for the Construction of Fire Station No. 3, Project P-857, (2) Authorization to File a Notice of Cessation, and (3) Authorization to Release a Portion of the Project Retention Funds.

Discussion ensued between the City Council and staff regarding a suggestion to examine the way contracts are awarded; concern with awarding to the lowest bidder and clarification that the City awards to the lowest responsible bidder; and a suggestion to more clearly define the word responsible in terms of contract evaluation.

MOVED BY COUNCILMEMBER MALSIN, SECONDED BY MAYOR WEISSMAN AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL:

1. TERMINATE THE CONTRACT WITH FEI ENTERPRISES, INC. FOR THE CONSTRUCTION OF FIRE STATION NO. 3, PROJECT P-857 PER SECTION 14.4 OF THE CONTRACT DOCUMENTS;
2. AUTHORIZE THE CITY ATTORNEY TO REVIEW/PREPARE THE NECESSARY DOCUMENTS;
3. AUTHORIZE THE CITY MANAGER TO EXECUTE SUCH DOCUMENTS ON BEHALF OF THE CITY;
4. AUTHORIZE THE CITY MANAGER TO EXECUTE THE NOTICE OF CESSATION AND SUBMIT IT TO THE LOS ANGELES COUNTY RECORDER'S OFFICE; AND
5. AUTHORIZE THE RELEASE OF A PORTION OF THE RETENTION (LESS 150% OF THE DISPUTED AMOUNT) IN THE AMOUNT OF \$427,483.63 FOLLOWING THE EXPIRATION OF THE 35-DAY LIEN PERIOD AND THE CLEARANCE OF ALL STOP NOTICES.

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