

City of Culver City, California  
**Agenda Item Report**

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| Meeting Date: 05/10/2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | Item Number: <u>PH-2</u>                                                               |  |
| <b>CITY COUNCIL AGENDA ITEM: PUBLIC HEARING - FOUR AFFIRMATIVE VOTES REQUIRED – (1) Award of Various Contracts for the Completion of the Construction of Fire Station No. 3 Project, P-857; and (2) Approval of an Amendment to the Existing Professional Services Agreement with RTI Consulting, Inc. for Construction Management Services for the Fire Station No. Project, P-857.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                        |  |
| Contact Person/Dept.: Andy O’Connell/PW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | Phone Number: (310) 253-5606                                                           |  |
| Fiscal Impact: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | General Fund: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>      |  |
| Public Hearing: <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | Action Item: <input type="checkbox"/> Attachments: <input checked="" type="checkbox"/> |  |
| Commission Action Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  | Date: _____                                                                            |  |
| Public Notification: Published in the Culver City News (04/29/10 and 05/06/10)(E-Mail Agenda and Meetings – City Council (05/06/2010)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |                                                                                        |  |
| Department Approval:<br>Charles D. Herbertson (04/29/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | City Attorney Approval:<br>Carol Schwab (by H. Baker) (04/29/10)                       |  |
| Chief Financial Officer Approval:<br>Jeff Muir (by N. Kimball) (05/05/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | City Manager Approval:<br>P. Lamont Ewell (05/06/10)                                   |  |
| <p><b><u>RECOMMENDATION</u></b></p> <p>Staff recommends the City Council:</p> <ol style="list-style-type: none"><li>1. Award various contracts as set forth in this report for the completion of the construction of Fire Station No. 3 Project, P-857 (the “Project”) in a total amount not-to-exceed \$111,000 (<b>requires four affirmative votes</b>).</li><li>2. Approve an amendment to the existing Professional Services Agreement with RTI Consulting, Inc. for construction management services for the Fire Station No. Project, P-857.</li></ol> <p><b><u>BACKGROUND</u></b></p> <p>On March 1, 2010, the City Council and Redevelopment Agency terminated, for convenience, the contract with FEI. The staff report and minutes excerpts related to that action is attached for the City Council and Agency Board’s information.</p> <p><b><u>DISCUSSION</u></b></p> <p>Attachment 1 identifies a list of the scope of work needed to complete construction and the recommended contractors and their estimated bids. This work includes all</p> |  |                                                                                        |  |

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items needed to complete construction of the Project. Along with the work not performed by FEI, there are other items that are being requested by the Fire Department. As set forth in the attachment, there are thirteen different contractors needed to complete all of the necessary work for an estimated total construction cost not-to-exceed \$111,000.00. Other charges that have not been included are the costs for the final interior and exterior cleaning and the cost to move equipment and furniture from the existing Fire Station No. 3.

Since a general contractor will not be utilized, each of the individual contractors will be considered as a "prime contractor." Fifteen percent of the total construction cost that is normally charged by a general contractor for overhead and profit will be saved by hiring individual contractors. However, the City's construction manager will then need to assume some of the duties that would normally be associated with a general contractor, such as coordinating and supervising the work. The proposal from RTI Consulting, Inc. to complete the Project as construction manager is provided as Attachment 2.

Staff is recommending that the City utilize those subcontractors who have performed satisfactorily on various aspects of the Project and hire additional subcontractors where necessary to complete work that was not completed by the former prime contractor, FEI. By using the original subcontractors when possible, the warranty on their original work will be kept intact. For these reasons, as well as the need to get the new Fire Station No. 3 open and operating after the substantial delay caused by the former prime contractor FEI, staff is recommending this expedited process. The City Charter provisions regarding public works contracts<sup>1</sup> give the City Council the authority, with four affirmative votes, to award a contract without complying with the bidding procedures, provided a public hearing is held on the award of the contracts and after public notice has been given. Notice of this public hearing was published in the Culver City News on April 29 and May 6, 2010.

It should be noted that the original contract with FEI was issued by both the City and the Redevelopment Agency. That contract provided that the Agency would fund up to \$3,000,000 of the construction costs, with the remainder funded by the City. The work completed under the FEI contract exceeded the \$3,000,000 funded by the Agency. Therefore, these contracts to complete the work are proposed to be awarded by the City Council and funded solely by the City through the General Fund appropriation made by the City Council at the time the original contract was awarded in 2007.

Staff is also recommending extending the contract with RTI Consulting, Inc. to prepare the necessary scope of work, manage the construction, and coordinate the close-out documentation and final payment processes in order to fully bring closure

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<sup>1</sup> Charter Section 2007 provides that the procedures for awarding public works contracts as set forth in the "old" Charter will remain in effect until such time as the City Council establishes, by ordinance, different procedures. Therefore, the current procedures are set forth in the "old" Charter Section 1304.

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to this Project. The aggregate contract amounts for the remaining work will not exceed the amount of funds remaining in the Project account.

**FISCAL ANALYSIS**

In addition to the original retention amount of \$499,788.04, which is currently held in an escrow account, there is approximately \$370,000 remaining in the Fire Station No. 3 project budget (42000857). The City may authorize a release in the amount of \$427,483.63 for retention payments, after all legal obligations have been met by FEI, including the clearance of all stop notices. This will leave a total remaining budget of approximately \$440,000 which will be used to complete any remaining work and other contractual obligations.

**ATTACHMENTS**

1. Staff report and Minute Excerpt from the March 1, 2010 City Council/Redevelopment Agency Meeting
2. List of recommended contractors and estimated bid amounts for all work needed to complete construction of the Project.
3. RTI Consulting, Inc. Proposal dated April 20, 2010.

**MOTIONS**

That the City Council:

1. Award the various contracts as set forth in Attachment 1 in a total amount not to exceed \$111,000.00 (requires four affirmative votes); and,
2. Approve an amendment to the existing professional services agreement with RTI Consulting, Inc. for Construction Management Services for the Fire Station No.3 Project for an additional not-to-exceed amount of \$25,335.00; and,
3. Authorize the Public Works Director/City Engineer to increase the RTI Consulting Inc. agreement by an amount not to exceed \$5,000.00, if necessary; and,
4. Authorize the City Attorney to review/prepare the necessary documents; and
5. Authorize the City Manager to execute such documents on behalf of the City.