



City Council Staff Report

Date: September 7, 2011 CONSENT CALENDAR

Subject: AWARD OF CONTRACT FOR THE TRACT NO. 13257 SEWER IMPROVEMENTS (PHASES 1 & 2), CITY PROJECT 10-02

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Award of this contract will allow staff to proceed with this Community Development Block Grant ("CDBG") funded project to construct a new sewer system within Tract No. 13257 (located west of Gene Autry Trail and south of Via Escuela).

RECOMMENDATION:

- 1) Approve Agreement No. _____ in the amount of \$344,488.25 with G&M Construction, a California corporation, for Bid Schedule A (Phase 1) of the Tract No. 13257 Sewer Improvements, City Project 10-02; and
- 2) Approve Change Order No. 1 to Agreement No. _____ with G&M Construction, in an amount of \$61,346.40 for a revised total contract amount of \$405,834.65 for the Tract No. 13257 Sewer Improvements, City Project No. 10-02; and
- 3) Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR THE 2011/2012 FISCAL YEAR TO TRANSFER ADDITIONAL FUNDING FOR THE TRACT NO. 13257 SEWER IMPROVEMENTS (CITY PROJECT NO. 10-02)"; and
- 4) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The Public Works and Engineering Department requested and received funding from the City's 2010/2011 and 2011/2012 CDBG Programs. The Department has proposed to design and construct a new sewer system to serve the low-to-moderate income neighborhood located west of Gene Autry Trail and south of Via Escuela (referred to as

"Tract No. 13257"). Tract No. 13257 was developed during the 1980's when it was part of unincorporated Riverside County. At the time, Riverside County did not require extension of public sewer to the tract, and all 87 homes in Tract No. 13257 have private septic systems, some of which have begun to fail. Some lower income property owners have had to request financial assistance from the City for pumping and servicing of their septic systems.

On March 17, 2010, the City Council approved the 2010/2011 CDBG Program, and awarded the Department \$267,118 for the first phase of this project. On March 16, 2011, the City Council approved the 2011/2012 CDBG Program, and awarded the Department \$180,951 for the second phase of this project (this amount was reduced to \$160,855 as a result of a lower overall CDBG Program distribution to the City). Ultimately, this phased CDBG project proposes to install approximately 3,800 feet of 8" VCP public sewer line and 3,480 feet of 4" VCP sewer laterals. The existing on-site septic tanks will be disconnected and abandoned in accordance with the City's Building Department requirements. The costs to convert from private septic systems to a public sewer system are included in this proposal, including the \$3,000 per unit sewer connection charge imposed by the City at the time a property is connected to the City's sewer system.

Given the \$1,200,000 total estimated cost to provide public sewer to Tract No. 13257, this project is proposed as a multi-year CDBG phased project.

On July 20, 2011, the City Council approved the plans and authorized bidding for Phases 1 and 2 of this project. On July 23 and 30, 2011, the project was advertised for bids, and at 3:00 p.m. on August 23, 2011, the Procurement and Contracting Division received construction bids from the following contractors:

1. G&M Construction; Palm Springs, CA	\$638,680.00
2. Jones Bros. Construction Co.; Coachella, CA	\$725,947.02
3. WEKA, Inc.; Redlands, CA	\$759,272.00
4. James A Shirley Construction Inc.; Yucca Valley, CA	\$780,436.00
5. Genesis Construction; Hemet, CA	\$797,777.00

The Engineer's Estimate for Phases 1 and 2 was \$630,000.

The low bid exceeds the total amount of CDBG funds available, therefore, it will not be possible to award all of Phases 1 and 2 at this time. The low bid for Phase 1 only is \$344,488.25. Additional costs must also be covered by CDBG funds as part of construction, as follows:

Phase 1

Construction: \$344,488.25

Sewer Connection Fees: 21 @ \$3,000 = \$63,000

Materials Testing: \$9,708

Construction Administration/Inspection: \$15,000
Total: \$432,196.25

There remain additional unexpended CDBG funds from prior years that may be used to supplement current funding for this project. It is recommended that a portion of Phase 2 sewer construction work be added by Contract Change Order. The portion of work to be funded would include only the public sewer main and sewer laterals within Zachary Court. No on-site building sewer extensions and septic tank abandonments would be included at this time given the budget constraints. It will be staff's intention to submit an application for Fiscal Year 2012/2013 CDBG funding to complete the Phase 2 sewer construction work originally contemplated with this project.

The lowest, responsive bidder is G&M Construction, whose principal officers are: George Marantz, President; and Dianne Marantz, Secretary/Treasurer.

FISCAL IMPACT:

It will be necessary to use the funds allocated for Phase 2 of this project towards construction of Phase 1. The total estimated cost for Phase 1 is \$432,196.25. There is approximately \$198,000 in CDBG funds currently available for Phase 1, with an additional \$160,855 allocated for Phase 2. An additional \$171,000 from unexpended CDBG funds from prior years (other projects never completed by the recipients or where costs were below awarded amounts) is also available. It is being recommended that the City Council adopt a Budget Amendment to officially transfer these unexpended funds to use specifically for this project. In order to complete the remainder of Phase 2 (including connection of homes on Zachary Court to the new sewer system), it will be necessary for the City to allocate additional CDBG funds from future years. Upon transfer of unexpended CDBG funds to this project, sufficient funds will be available in accounts 137-4812-63583 and 137-4813-63583.

SUBMITTED:



John Raymond, Director
Community & Economic Development

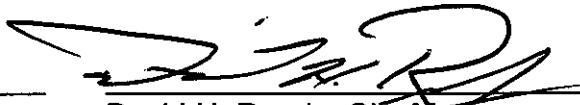


David J. Barakian
Director of Public Works/City Engineer

Approved by:



Thomas J. Wilson, Asst. City Manager



David H. Ready, City Manager

Attachments:

1. Agreement, 2. Contract Change Order, 3. Resolution

AGREEMENT

THIS AGREEMENT made this _____ day of _____ in the year 2011, by and between the City of Palm Springs, a charter city, organized and existing in the County of Riverside, under and by virtue of the laws of the State of California, hereinafter designated as the City, and G&M Construction, hereinafter designated as the Contractor.

The City and the Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 -- THE WORK

The Contractor shall complete the Work as specified or indicated under the Bid Schedule(s) of the City's Contract Documents entitled:

TRACT 13257 SEWER IMPROVEMENTS CITY PROJECT NO. 10-02

The Work is generally described as follows:

Installation of eight-inch VCP sewer mains, manholes, four-inch VCP sewer laterals, on-site building sewer connections, on-site private septic tank abandonments, trenching and excavations for sewer installation, trench backfill and pavement replacement, on-site restoration, demolition and replacement of storm drain inlet, storm drain channel, removal and replacement of existing fencing, and all related and associated work

ARTICLE 2 -- COMMENCEMENT AND COMPLETION

The Work to be performed under this Contract shall commence on the date specified in the Notice to Proceed by the City, and the Work shall be fully completed within the time specified in Section 2 of these Special Provisions.

The City and the Contractor recognize that time is of the essence of this Agreement, and that the City will suffer financial loss if the Work is not completed within the time specified in Article 2, herein, plus any extensions thereof allowed in accordance with the applicable provisions of the Standard Specifications, as modified herein. They also recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, the City and the Contractor agree that as liquidated damages or delay (but not as a penalty), the Contractor shall pay the City the sum of **\$1,300.00** for each calendar day that expires after the time specified in Article 2, herein.

ARTICLE 3 – CONTRACT PRICE \$344,488.25 (Bid Sch. A only)

The City shall pay the Contractor for the completion of the Work, in accordance with the Contract Documents, in current funds the Contract Price(s) named in the Contractor's Bid and Bid Schedule(s).

ARTICLE 4 – THE CONTRACT DOCUMENTS

The Contract Documents consist of the Notice Inviting Bids, Instructions to Bidders, the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations, Federal Labor Standards Provisions, Federal Rates of Prevailing Wages, the accepted Bid and Bid Schedule(s), List of Subcontractors, Non-collusion Affidavit, Bidder's General Information, Bid Security or Bid Bond, this Agreement, Worker's Compensation Certificate, Performance Bond, Payment Bond, Standard Specifications, Special Provisions, the Drawings, Addenda numbers 01 to 03, inclusive, and all Change Orders and Work Change Directives which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto.

ARTICLE 5 -- PAYMENT PROCEDURES

The Contractor shall submit Applications for Payment in accordance with provisions of the Standard Specifications as amended by the Special Provisions. Applications for Payment will be processed by the Engineer or the City as provided in the Contract Documents.

ARTICLE 6 -- NOTICES

Whenever any provision of the Contract Documents requires the giving of a written Notice, it shall be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the Notice.

ARTICLE 7 -- MISCELLANEOUS

Terms used in this Agreement which are defined in the Standard Specifications and the Special Provisions will have the meanings indicated in said Standard Specifications and the Special Provisions. No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

The City and the Contractor each binds itself, its partners, successors, assigns, and legal representatives, to the other party hereto, its partners, successors, assigns, and legal representatives, in respect of all covenants, agreements, and obligations contained in the Contract Documents.

IN WITNESS WHEREOF, the City and the Contractor have caused this Agreement to be executed the day and year first above written.

**ATTEST:
CITY OF PALM SPRINGS,
CALIFORNIA**

APPROVED BY THE CITY COUNCIL:

By _____
City Clerk

Date _____

Agreement No. _____

APPROVED AS TO FORM:

By _____
City Attorney

Date _____

CONTENTS APPROVED:

By _____
City Engineer

Date _____

By _____
City Manager

Date _____

Corporations require two notarized signatures: One signature must be from Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

CONTRACTOR: Name: G&M Construction Check one: Individual Partnership Corporation
Address: 211 W. Mesquite Avenue
Palm Springs, CA 92264

By: _____
Signature (notarized)

By: _____
Signature (notarized)

Name: _____

Name: _____

Title: _____

Title: _____

(This Agreement must be signed in the above space by one of the following: Chairman of the Board, President or any Vice President)

This Agreement must be signed in the above space by one of the following: Secretary, Chief Financial Officer or any Assistant Treasurer)

State of _____
County of _____

State of _____
County of _____

On _____
before me, _____
personally appeared _____

On _____
before me, _____
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature:

Notary Signature:

Notary Seal:

Notary Seal:

**CITY OF PALM SPRINGS
CONTRACT CHANGE ORDER**

To: G&M Construction 211 W. Mesquite Ave. Palm Springs, CA 92262 Tel: (760) 322-6918 Fax: (760) 778-6708	Date: September 7, 2011 Project No: 10-02 Project: Tract No. 13257 Sewer Improvements (Ph 1 & 2)
Attn: George Marantz	Change Order No: 1 Purchase Order: Pending Account: 137-4813-63583
	Agreement No: Pending

CHANGES IN WORK:

In lieu of awarding the entire Bid Schedule B, this Contract Change Order No. 1 shall add the following scope of work from Phase 2 of the plans:

Construct 8" VCP sewer main in Zachary Court (Station 10+05 to 12+36.20)
Construct 4" VCP sewer laterals at Station 10+59.98, 10+74.29, 11+16.77, 11+36.77, 11+81.12, 11+86.12, 12+19.20, 12+24.20, and 12+29.20
Construct 48" sewer manhole at Station 12+36.20

Mobilization, traffic control and sheeting/shoring/bracing associated with the above additional work.

On-site building sewer extension and septic tank abandonment work is excluded.

CHANGES IN COST:

Increases in Cost:

Item 1, Mobilization, Lump Sum (LS) @ \$5,000
Item 2, Traffic Control, Lump Sum (LS) @ \$1,750
Item 3, Construct 8" VCP Sewer Main, 231.20 linear feet (LF) @ \$98.25 per LF = \$22,715.40
Item 4, Construct Sewer Manhole (D=48"), 1 each (EA) @ \$2,500.00
Item 5, Construct 4" VCP Sewer Lateral, 281.00 linear feet (LF) @ \$101.00 per LF = \$28,381.00
Item 6, Sheeting, Shoring & Bracing or Equivalent Method, Lump Sum (LS) @ \$1,000

The prices listed above are consistent with the prices listed in Bid Schedule B, and shall constitute full compensation, including all markups for this additional work, and no additional payment will be made.

As specified in the Special Provisions, compensation for removal and replacement of existing improvements related to the sewer construction shall be considered as included in the prices paid, and no additional compensation will be allowed therefore.

SOURCE OF FUNDS:

Funds are available in the following account(s): 137-4813-63583

REASONS FOR CHANGE:

Bid Schedule B not included in original contract award due to budget constraints. Adding sewer construction in Zachary Court to contract.

SUMMARY OF COSTS:

Original Contract Amount:	\$ 344,488.25	Original Completion	TBD
This Change Order:	\$ 61,346.40	Days Added for this CO:	~10~
Previous Change Order(s):	\$ 0.00	Previous Days Added:	~0~
Revised Contract Amount:	\$ 405,834.65	Revised Completion	TBD

I have received a copy of this Change Order and the above AGREED PRICES are acceptable to Contractor

Contractor Approval:

_____	_____
Signature	Date

Printed Name and Title	

City Approval:

Submitted By:

_____	_____
Assistant Director of Public Works/ Assistant City Engineer	Date

Approved By:

_____	_____
Director of Public Works/City Engineer	Date

Approved By:

_____	_____
City Manager	Date

Attest By:

_____	_____
City Clerk	Date

Distribution:

Original Conformed Copy:
 Contractor (1)
 City Clerk (1)

Conformed - File Copy:
 Engineering Pay File (1)
 Resident Engineer (1)
 Procurement (1)
 Finance (1)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2011-12 TO TRANSFER ADDITIONAL FUNDING FOR THE ARNICO TRACT SEWER IMPROVEMENTS RELATING TO COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING.

WHEREAS, Resolution No. 22926 approving the Budget for the Fiscal Year 2011-2012 was adopted on June 1, 2011; and

WHEREAS the City Manager has recommended, and the City Council desires to approve, certain amendments to the budget for Fiscal Year 2011-12.

NOW THEREFORE THE CITY COUNCIL DETERMINES, RESOLVES AND APPROVES AS FOLLOWS:

SECTION 1. The Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and Resolution No. 22926, adopting the Budget for Fiscal Year 2011-12 is hereby amended as follows:

SOURCE(S):

Fund	Activity	Account	Amount
137 Community Development Block Grant	4804 & 4805	50000 Unscheduled Capital Project	\$171,000

ADDITION(S):

Fund	Activity	Account	Amount
137 Community Development Block Grant	4813	63583 PS Arnico Tract Sewer	\$171,000

PURPOSE: Fund additional improvements for the CDBG funded Arnico Tract Sewer project.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 7TH DAY OF SEPTEMBER, 2011.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California