



Legislation Text

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Report to Carson Reclamation Authority

Tuesday, February 06, 2018

Discussion

SUBJECT:

CONSIDER CARSON RECLAMATION AUTHORITY APPROVAL OF AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN RE|SOLUTIONS, LLC AND SL CARSON BUILDERS, LLC FOR CONSTRUCTION OF SITE WORK, INFRASTRUCTURE IMPROVEMENTS, AND FOUNDATION SYSTEMS AT THE FORMER CAL-COMPACT LANDFILL ("CCLF") PROJECT

I. SUMMARY

On July 26, 2017, the Authority entered into an Environmental Remediation and Development Management Agreement with RE|Solutions, LLC ("RES") whereby RES would coordinate, oversee and implement the horizontal development at the Former Cal Compact Landfill project ("RES Agreement"). Part of RES' responsibility is to directly contract with professional services providers for the design components of the work and with general contractors for installation of the remedial systems, the piles and other foundation elements of the project.

On August 23, 2017, RES sent a Request for Qualifications for Civil General Contractor ("RFQ") to perform work related to infrastructure improvements and foundation systems at the CCLF. RES determined, and staff agrees, that a formal cost-based bidding process would not provide a competitive advantage in this situation for various reasons including the fact that formal bidding requires a detailed scope of work which would take several months to develop and result in significant delays (and costs) to the other moving components of the overall project, and also because the complex pollution liability insurance programs (CPL/PLI and PLL), which had to be bound before the end of 2017, required submittal of prospective contractor credentials in order to provide liability coverage. Snyder Langston, the parent of SL Carson Builders, LLC, was selected by RES in September, 2017 as part of that RFQ process, with the understanding that the parent company would provide a guaranty as to SL Carson Builders, LLC.

The terms of the RES Agreement requires that the CRA, through authority granted to its Executive Director, approve as to form any contract RES enters into for this Site as a third-party beneficiary to those contracts.

The contract with Snyder Langston is very significant in terms of its size and scope of work, so Staff believed it was prudent to present it to the Board for review and consent prior to the Executive Director's approval as to form of that contract. The scope includes construction of site work, infrastructure improvements and foundation systems for the project for the Macerich project on Cell 2 and for similar work to be performed at a subsequent time on the other cells when other future development projects are approved by the Board.

II. RECOMMENDATION

APPROVE AS TO FORM AND AS A THIRD PARTY BENEFICIARY THE AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN RESOLUTIONS, LLC AND SL CARSON BUILDERS, LLC FOR CONSTRUCTION OF SITE WORK, INFRASTRUCTURE IMPROVEMENTS, AND FOUNDATION SYSTEMS AT THE FORMER CAL-COMPACT LANDFILL ("CCLF") PROJECT SUBJECT TO AUTHORITY COUNSEL'S APPROVAL OF THE PARENT COMPANY GUARANTY AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY RELATED DOCUMENTS FOLLOWING APPROVAL AS TO FORM BY AUTHORITY COUNSEL

III. ALTERNATIVES

Take another action the Board deems appropriate.

IV. BACKGROUND

RES is described as the "Owner" in the contract document, but the contract acknowledges it is not the fee owner of the real property upon which the Project and Work is to be performed, and that Owner is undertaking the Project as the environmental remediation and development manager engaged by the Carson Reclamation Authority (the "CRA") in accordance with the RES Agreement.

All contracts entered into by RES under the RES Agreement contain similar provisions. The Work performed under this contract will be subject to the terms and conditions of the RES Agreement with respect to permissible charges on account of the Work, limitations on markups, indemnification and insurance obligations, compliance with prevailing wage laws, coordination with separate contractors and activities on the Project site, review and approval of Work and access to Project records by CRA and its representatives, contract assignment rights and CRA's express status as a third-party beneficiary to all agreements entered into by RES in relation to the Project site.

The cost of the contract will be established through a Work Order process, since the nature of the Work will vary across the site, from constructing standard public infrastructure, to final grading of the site and installing the structural piles and slab for the buildings.

Some of the work tasks, such as the street construction and utility installation, are Authority

obligations and will be paid by the Authority from its own funds. Other work, such as the installation of piles and slab, will be paid by the Authority but then reimbursed by Macerich for their share of the costs.

The Contractor will not self-perform any work, but will recruit, hire and manage subcontractors for nearly every aspect of the job. Part of the role of RES is to manage the Contractor's work, but also to ensure the coordination and cooperation between the Contractor and its subcontractors and the Environmental General Contractor, TRC Solutions, and its subcontractors and ultimately help coordinate the Contractor's work with Macerich's (and others') vertical contractors that will construct the buildings and other improvements. As a result, a significant portion of the contract deals with how the Contractor gets paid by RES, how it pays its subcontractors, and how liens are released.

An Indemnity and Insurance Addendum ("Insurance Addendum") and Owner Controlled Insurance Program Insurance Manual ("OCIP Manual") are incorporated as part of the Master Agreement. The Contractor shall purchase and maintain the insurance required in the Insurance Addendum and OCIP Manual. The Contractor also gets the benefit of the extensive Contractors Pollution Liability/Professional Liability Insurance policies (\$50,000,000/ \$25,000,000) and the General Liability and Builders Risk wrap program in the event of an incident on the site.

V. FISCAL IMPACT

The total contract could be as much as \$100,000,000. Most of that cost, such as in Cell 2, would be reimbursed to the Authority from the private developers, as it would be for structural piles and slabs on the cells. However, the Authority work (paid from Authority funds) will be in excess of \$20,000,000.

VI. EXHIBITS

1. Master Agreement between RE|Solutions, LLC and SL Carson Builders, LLC

1.

Prepared by: John S. Raymond, Executive Director