



CITY OF CARSON

Legislation Text

File #: 2020-339, Version: 1

Report to Mayor and City Council

Tuesday, June 02, 2020

Consent

SUBJECT:

CONSIDER APPROVAL OF AN AMENDED AND RESTATED CONSTRUCTION CONTRACT WITH HARDY & HARPER, INC. FOR PROJECT NO. 1393-2: CITYWIDE ANNUAL OVERLAY PROGRAM AND PROJECT NO. 1411-2: CITYWIDE ANNUAL CONCRETE REPLACEMENT PROGRAM, REDUCING THE BUDGET AND SCOPE BY \$200,000 (CITY COUNCIL)

I. SUMMARY

On July 16, 2019, a Construction Contract was awarded to Hardy and Harper, Inc. ("Contractor") in the amount of \$1,030,000.00 for Project No. 1393-2: Citywide Annual Overlay Program, and Project No. 1411-2: Citywide Annual Concrete Replacement Program (Exhibit No. 1). The expenditure of construction contingences in the amount of \$154,500.00 (15%) was also awarded for any unforeseen construction work that may be necessary to complete the project, for a total budget of \$1,184,500.00.

Part of the project - the Concrete Replacement Program - was anticipated to be partly funded through Community Development Block Grant (CDBG) funding, but Public Works was not awarded CDBG funds in the FY 2019-2020 program year. Because of the shortfall of \$200,000.00, the Purchasing Division was not able to proceed with the issuance of Purchase Order to the awarded contractor.

Staff reduced the scope of work and reached an agreement with the Contractor to sign an amended and restated contract in the amount of \$830,000. Staff requests that city council authorize the reduction of scope of work and the contract amount to \$830,000.00 to move forward with the implementation of the project.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Amended and Restated Construction Contract (Exhibit 2) for Project No. 1393-2: Citywide Annual Overlay Program, and Project No. 1411-2: Citywide Annual Concrete Replacement Program with Hardy & Harper, Inc. at a reduced of amount of \$830,000.00 and modified Scope of Work to accommodate \$200,000 in scope

reductions.

2. AUTHORIZE the expenditure of construction contingencies in the amount of \$124,500.00 (15%) for any unforeseen construction work such as substructure conflicts, contaminated soil removal and disposal, material testing, and other work that may be necessary to complete this project.
3. AUTHORIZE the Mayor to execute the Amended and Restated Construction Contract following approval as to form by the City Attorney.

III. ALTERNATIVES

1. DO NOT APPROVE the new Contract reducing the scope and budget.
2. TAKE another action the City Council deems appropriate consistent with the requirements of the law.

IV. BACKGROUND

On July 16, 2019, City Council approved Item No. 25 awarding a Construction Contract to Hardy and Harper, Inc. in the amount of \$1,030,000.00 for the construction of Project No. 1393-2: Citywide Annual Overlay Program, and Project No. 1411-2: Citywide Annual Concrete Replacement Program. City Council also authorized the expenditure of construction contingences in the amount of \$154,500.00 (15%) for any unforeseen construction work that may be necessary to complete this project, for a total budget of \$1,184,500.00. The July 16, 2019 staff report stated three funding sources, as follows:

- 254-80-820-904-8009: \$ 852,000.00
- 217-80-820-904-8009: \$ 132,500.00
- 215-80-720-100-6004: \$ 200,000.00 (CDBG Funds)

TOTAL FUNDS: \$1,184,500.00

After the contract was awarded, however, Public Works staff realized they had not been awarded CDBG funds in Program Year 2019-2020, reducing the funding available for this project to only \$984,500.00.

Given that the Purchasing Division was not able to generate a Purchase Order, it was concluded that the best approach would be to reduce the scope of work by eliminating certain bid items, resulting in a reduction of the contract amount to \$830,000.00, plus a contingency of \$124,500.00, for a total budget of \$954,500.00. The proposed reduction of scope of work and the new contract amount were presented to the Contractor, who confirmed its interest in the work even at the reduced contract amount (Exhibit No. 2).

Since a Purchase Order has not been issued yet, this is not eligible to process a simple change order; rather, the Purchasing Division and the City Clerk's office required that an amended and restated contract (to supersede and replace the original contract) with a

reduced budget be executed prior to entering the contract into the Tyler Munis system and a Purchase Order for the new budget is generated, which will allow the issuance of the Notice to Proceed to the Contractor to start the work. Staff requests that City Council authorize the reduction of scope of work and the contract amount, and staff will get the project completed within the available funding. The work that was removed will be added to the scope of an upcoming concrete replacement contract.

The timeline for this project is as follows:

Approval of PS&E	May 7, 2019
Advertise Notice For Bids	May 9, 2019
Award of Construction Contract	July 16, 2019
Agreement executed by the City	August 15, 2019
Reduction of Budget by City Council	June 2, 2020
Start of construction	September, 2020
Completion of construction	December, 2020

V. FISCAL IMPACT

The total reduced construction contract amount for this improvement project is \$830,000.00. A construction contingency in the amount of \$124,500.00, representing 15% of the total construction bid, is requested for any unforeseen construction work that may be required to complete this project. The total project cost including the 15% contingency is \$954,500.00. Funds in this amount are included in the FY 2019/20 general fund budget under the following account numbers:

PW1393-2: Annual Pavement Overlay:	
254-80-820-904-8009	\$852,000.00
Sub-Total	\$852,000.00
PW1411-2: Annual Concrete Replacement:	
217-80-820-904-8009	\$102,500.00
Sub-Total	\$102,500.00
TOTAL AVAILABLE FUNDS	\$954,500.00

VI. EXHIBITS

1. Project Location Map for Project Nos. 1393-2 & 1411-2 (pg. 5)
2. Amended and Restated Construction Contract and reduced scope of work (pgs. 6-9)

Prepared by: Gilbert M. Marquez, P.E., City Engineer