



Legislation Text

File #: 21-0065, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Carrie Tai, AICP, Acting Public Works Director

Prem Kumar, City Engineer

Mamerto Estepa Jr., Senior Civil Engineer

SUBJECT:

Formally Accept as Complete the Public Works Facility Building "A" - Office Area Project; Authorize the Filing of the Notice of Completion with the County Recorder; and Approve the Release of the Remaining Retention Amount (\$17,544.13) in Accordance with the Contract (Acting Public Works Director Tai).

a) **ACCEPT**

b) **APPROVE**

RECOMMENDATION:

Staff recommends that the City Council:

1. Accept as complete the Public Works Facility Building "A" - Office Area Project;
2. Authorize the Filing of the appropriate Notice of Completion with the County Recorder's Office; and
3. Approve the release of the contract retention amount of \$17,544.13 in accordance with the Contract.

FISCAL IMPLICATIONS:

The Public Works Facility Building "A" - Office Area Project construction contract award was \$399,735, with an authorized construction contingency of \$59,960 (15%), for a total construction budget \$459,695. The work was satisfactorily completed for \$350,882.51. The remaining unexpended project balance will be returned to the CIP Fund for re-appropriation to a future project.

BACKGROUND:

On October 16, 2018, City Council awarded a construction contract to Meyers Construction Company for construction of the Public Works Facility Building "A" - Office Area Project. The project addressed the inadequate nature of the area's previous layout, which was not functional or efficient for the Engineering Division. The problems with the layout included separate offices with wasted hallway space, unusable nooks and rooms that were too large for one person, yet too small for the two to three people occupying the space; a lack of layout/plan review space, plan storage and project file

storage; and an old, corroded, inadequately functioning HVAC system. The project corrected these issues by converting the existing office space and adjacent storage and garage areas into an open layout office for the City's engineers, inspectors and support staff; with an open area for plan review, office for the City Engineer, conference room, area for relevant document storage, two restrooms and a small breakroom.

DISCUSSION:

Construction began on December 3, 2018, and the City gained beneficial occupancy on August 22, 2019. Work was not accepted until satisfactory completion of all contract (finish) work; submission of contractually required documentation, redline drawings, and change order documentation; and acceptance of the final change order, which was on October 14, 2020.

During construction a number of changes were required on the project.

- **Engineering Flat (Plan) Files.** Meyers Construction relocated existing storage drawers before construction commenced and prior to beneficial occupancy.
- **Preparation for Future Expansion/Utilization.** To equip the office for possible expansion of staff or utilization of the new space, Meyers construction installed additional data ports, workstations and electrical conduits. They also relocated a fire extinguisher cabinet to provide space for a bookcase for the Engineering Library.
- **Changes Due to Existing Conditions.** Meyers Construction rerouted the fiber optic line that services Building "A" due to deterioration of the existing conduit, installed an extra window in the private office to provide additional natural lighting and replaced all metal siding due to the extensive deterioration to the existing siding. They also installed new exterior light fixtures to the increase lighting above the new entrances to the office.
- **Aesthetic Improvements.** Meyers Construction repainted the office area and HVAC ducting to soften the appearance from the original "industrial" look. They also increased the depth of an interior conference wall, in order to create a uniform appearance to the wall.

The changes increased the contract amount by \$43,147.51.

Although Meyers Construction completed the contract work satisfactorily, they failed to fulfill the terms of their contract with the City of Manhattan Beach. Meyers Construction completed work 92 working days after contract time expired. This resulted from the company's failure to provide the appropriate resources for the project, failure to properly sequence the work, and lack of the necessary oversight to perform the project. This caused delays, incorrect materials being provided, poor workmanship and subsequent rework. The City assessed Meyers Construction with \$92,000 in liquidated damages per the contract. Combined with the \$43,147.51 cost increase due to changes on the project, total contract amount decreased by \$48,852.49.

Staff attempted to support Meyers Construction in delivering the project on time. A Weekly Statement of Working Days was sent to the Meyers Construction to provide a regular update on the current working days remaining on the project. City also requested that Meyers Construction submit schedule revisions that included provisions for "catching up". Public Works staff and management even met with the owner of Meyers Construction on at least two occasions to discuss the lack of progress on the project. These efforts appeared to be unsuccessful in improving the progress on the project.

Ultimately, this led staff to file a complaint with the Contractors State License Board (CSLB), which becomes part of Meyers Construction's permanent CSLB file. Staff also sent a Notification of Potential Contract Termination to Meyers Construction's Surety. The complaints resulted in Meyers Construction diligently prosecuting the work and completing the project.

The project is now complete and ready for acceptance by City Council. Staff recommends that City Council accept the project as complete, authorize the filing of the Notice of Completion; and authorize release of the contract retention amount of \$17,544.13 in accordance with the Contract. The City is awaiting the invoice for final bill. Once the final bill is paid, the retention may be released accordingly.

Two Stop Notices were filed against Meyers Construction totaling \$15,482. The City will retain 125% of the total amount claimed, or \$19,352.50, from future payments until the stop notices are released.

PUBLIC OUTREACH:

Because the project was primarily an interior tenant improvement at the Public Works Facility (Maintenance Yard), staff determined that public outreach for this project was not required beyond the publication of the staff report to award the construction contract.

ENVIROMENTAL REVIEW:

The City has reviewed the proposed project for compliance with the California Environmental Quality Act and previously determined that the project qualified for a Categorical Exemption pursuant to Section 15301 (repair and maintenance of existing public facilities, involving negligible or no expansion of use) of the State CEQA Guidelines. A Notice of Exemption was filed with the Los Angeles County Clerk's Office for the Project.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENT:

1. Location Map