



City of Placerville  
Public Works / Engineering  
**MEMORANDUM**

DATE: February 10, 2009

TO: City Council

FROM: Nathan Stong, Associate Civil Engineer  
Rick Tippett, City Engineer

SUBJECT: **BEDFORD AVE. WATER LINE RELOCATION PROJECT NO. 40315  
APPROVAL OF CONTRACT CHANGE ORDER AND ACCEPTANCE OF  
WORK FOR PROJECT CLOSEOUT.**

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**RECOMMENDATION**

That the Council adopt a Resolution:

1. Approving Contract Change Order (CCO) No. 2 - Final Contract Balancing Change Order in the amount of \$9,427 and authorizing the City Engineer to execute said Change Order.
2. Accepting the Bedford Ave. Water Relocation Project No. 40315 and all associated work as complete.
3. Authorizing the City Engineer to execute a Notice of Completion.
4. Instructing the City Clerk to record said Notice with the Office of the County Recorder.
5. Authorizing the Finance Department to release the 5% Retention held for Construction Security.
6. Authorizing the release of the Performance Bond and the release of the Labor and Materials Surety Bond after the appropriate lapse of time, provided no claims are made against the project.

**BACKGROUND**

At the City Council meeting held June 24, 2008, the contract for the Bedford Avenue Water Line Relocation Project, Project No. 40315, was awarded to Arrow Construction in the amount of \$108,487.00, with construction beginning shortly afterward on June 30, 2008. The project has had one change order in the amount of \$18,838.28, approved by Council on December 9, 2008.

**DISCUSSION**

Work was substantially completed on this project in October, 2008, in conformance with the plans and specifications. Staff is not aware of any pending claims or disputes with the Contractor. With the recording of the Notice of Completion, the Contractor's Bonds may be released thirty (30) days thereafter if no claims are forthcoming.

Because the work has been substantially complete for over 90 days and all "Punch List" items of work are complete, staff recommends the release of the remaining 5% retention.

Contract Change order No.2 represents the final balancing change order, which is the mechanism to reconcile the final “as constructed” quantities with the original “as bid” quantity estimates. In this instance, final quantity measurements resulted in an overall contract increase of \$9,427.

### **FISCAL IMPACT**

The City Council authorized a Utility Agreement with Caltrans (Resolution No. 7280) on June 23, 2005, which directs Caltrans to reimburse the City for its share of the actual cost for relocating the City’s water lines that are in conflict with the Highway 50 Operations project in the amount of \$150,000. In this Utility Agreement, there is a provision that authorizes cost up to 125% above the original agreement, or \$187,500, as long as the work is in direct relation to removing the conflicting utility. If the cost of utility relocation exceeds the original estimate by an amount greater than 125%, an amended agreement is prepared and executed to provide for the additional reimbursements to the City. To date, the following agreements have been encumbered by said Utility Agreement:

Joe Vicini, Inc. (Original Agreement)	\$ 38,510
Doug Veerkamp General Engineering, Inc. (Original Agreement)	21,850
Doug Veerkamp General Engineering, Inc. (Change Order No. 1)	5,794
Arrow Construction (Original Agreement)	108,487
Arrow Construction (Change Order #1)	18,838
Arrow Construction (Proposed Change Order #2)	9,427
Ferguson Enterprises, Inc.	241
Groeniger	3,933
Youngdahl & Associates	310
Reimbursement from County for Courthouse RP	(1,275)
<b>Total Encumbered Agreements:</b>	<b><u>\$206,115</u></b>

As you can see, the \$206,115 in total encumbered agreements, including the proposed Contract Change Order of \$9,427 with Arrow Construction, is not within the \$187,500 Utility Agreement limit. Caltrans and City staff are currently working on an amended Utility Agreement that fully identifies all costs incurred by the City in completing the required utility relocations, and it is anticipated to be executed shortly. Subsequent to that, full reimbursement for this work will be forthcoming to the City.

Tonight, staff respectfully requests the City Council to accept the work as satisfying the contract plans and specifications, and to approve CCO No.2 for the Bedford Avenue Water Line Relocation Project.

Prepared by:

Reviewed by:

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Richard Tippett  
City Engineer

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Randy Pesses  
Director of Public Works

Approved for Submittal to City Council:

Reviewed for Fiscal Impact by:

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John Driscoll  
City Manager/City Attorney

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Dave Warren  
Director of Finance

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE  
APPROVING CONTRACT CHANGE ORDER NO. 2, ACCEPTING THE BEDFORD  
WATERLINE RECONSTRUCTION PROJECT AS COMPLETE, THE RELEASE OF  
RETENTION FOR CONSTRUCTION SURETY, AND THE RELEASE OF BONDS  
(PROJECT NO. 40315)**

**WHEREAS**, City Council awarded the project for the construction of the Bedford Avenue Water Line Relocation Project Number 40315 to Arrow Construction as Contractor at the June 24, 2008, Council Meeting; and,

**WHEREAS**, City Council approved Contract Change Order No. 1 in the amount of \$18,838.28 at the December 9, 2008 Council Meeting; and,

**WHEREAS**, Arrow Construction has completed the Bedford Avenue Water Line Relocation Project; and,

**WHEREAS**, said construction has been inspected and approved by the City Engineering staff.

**NOW THEREFORE BE IT, AND IT IS HEREBY RESOLVED**, that the City Council of the City of Placerville takes the following actions:

1. Approving CCO No. 2 - Final Contract Balancing Change Order and authorizing the City Engineer to execute said Final Change Order.
2. Accepting the Bedford Avenue Water Line Relocation Project No. 40315 and all associated work as complete. Final contract amount is \$ 136,752.28.
3. Authorizing the City Engineer to execute a Notice of Completion.
4. Instructing the City Clerk to record said Notice with the Office of the County Recorder.
5. Authorizing the Finance Department to release the Retention for Construction Security.
6. Authorizing the release of the Performance Bond and the release of the Labor and Materials Surety Bond after the appropriate lapse of time, provided no claims are made against the project.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on February 10, 2009, by Councilmember \_\_\_\_\_ who moved its adoption. The motion was seconded by Councilmember \_\_\_\_\_. A vote was taken, which stood as follows:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Mayor Patricia Borelli

ATTEST:

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Susan Zito, City Clerk