



DATE: September 9, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **ACCEPTANCE OF IMPROVEMENTS CONSTRUCTED BY ARB, INC.
FOR THE EMERGENCY LAND OUTFALL REPLACEMENT PROJECT**

SYNOPSIS

Staff and the Utilities Commission recommend that the City Council accept the improvements constructed by ARB, Inc. of Lake Forest for the Emergency Land Outfall Replacement Project, and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

BACKGROUND

The existing land outfall was constructed in 1972 and consists of approximately 34,000 linear-feet of 24-inch ductile iron pipe. Several failures of the existing land outfall have occurred recently and one segment (6,200 linear feet) was identified for immediate replacement. This segment, which is parallel to the centerline of Oceanside Boulevard, began approximately 600 feet west of Vine Street and terminated approximately 1200 feet east of Crouch Street.

On April 9, 2008, City Council awarded a construction contract for the Emergency Land Outfall Replacement Project to ARB, Inc. in the amount of \$4,059,486.60.

ANALYSIS

Change Order 1 included City-requested additional potholing, costs associated with discovery of unknown and unmarked traffic conduit and unmarked water service, crossing new SDG&E conduit, replacement of additional traffic loops and a credit for using K-rail and daytime construction. Change Order 1 was in the amount of (\$2,228.61).

Change Order 2 included City-required redesign of box culvert crossing with new jack and bore, cost associated with discovery and investigation of unknown encasement, abandonment of encountered corrugated storm drain, cost for supporting and protecting encountered concrete blanket over existing waterline, crossing new SDG&E conduit, and credits for vertical alignment change and use of K-rail and daytime construction. Change Order 2 was in the amount of \$4,294.88.

Change Order 3 included costs associated with excavating around unknown sewerline, new SDG&E utilities, abandoning unknown corrugated metal pipe and repair of unknown conduit. Change Order 3 was in the amount of \$4,217.

Change Order 4 included City-requested modifications to connection details and revisions to tie in redesign due to field conditions and costs associated with excavating around multiple unmarked and unknown utilities. Change Order 4 was in the amount of \$6,392.39.

Change Order 5 included City-requested abandonment of a ground water monitoring well and additional grind and cap and adjustments to contract price (deductions) based on final contract quantities. Change Order 5 was in the amount of (\$242,199.64).

Change Order 6 included final deductions to the Contract for repairs to a damaged waterline, overtime inspection fees and Liquidated Damages. Change Order 6 was in the amount of (\$228,041.55).

Change orders 1 through 6 were administratively approved.

Construction of the Emergency Land Outfall Replacement Project was completed on June 4, 2009. Changes in the final quantities installed, several minor additions and final contract deductions have resulted in a final contract decrease of \$451,523. The final contract amount as constructed in the field is \$3,607,963.07.

ARB, Inc. has failed to sign any of the above described change orders. ARB, Inc. also submitted a claim for additional compensation and contract time, which claim could lead to litigation. This claim is being handled by the City Attorney's office.

A final inspection has been performed and it was determined that the project was completed per the plans and specifications.

FISCAL IMPACT

A budget appropriation in the amount of \$4,300,000 as a loan from the Water Enterprise Fund (1715.1005) unallocated fund balance to the Wastewater Enterprise fund to pay for the land outfall emergency project was approved on April 9, 2008. The funds were deposited in the Land Outfall capital improvement project budget (909548800726.5703) which, at that time, had a carry forward of \$400,000. The total cost for construction of the project is \$3,601,921.37, \$457,565.53 under the original budget; therefore sufficient funds are available to close out the project.

The original loan and amortization schedule for the \$4.3 million loan will be adjusted to reflect the reduced construction costs of \$3,601,921.37. The interest rate of 4.5% and debt service payment date will not change.

INSURANCE REQUIREMENTS

Does not apply

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

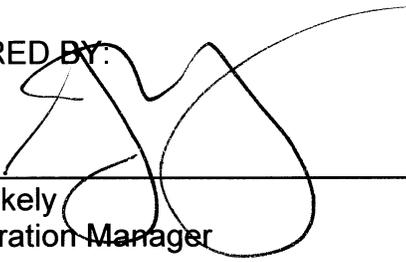
COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved staff's recommendation at its regularly scheduled meeting on August 18, 2009.

RECOMMENDATIONS

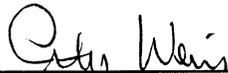
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