

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: September 7, 2010
Approved by: BP

Subject: Civic Center Notice of Completion
From: Gale Rossi, Construction Manager
Rich Cunningham, Public Works Manager

STAFF RECOMMENDATION

Adopt Resolution No. 2010-43 approving and accepting improvements and directing the filing of the Notice of Completion for Contract No. C07-14, Albany Civic Center Seismic Retrofit and Renovation.

BACKGROUND

The City Council awarded a contract with Sausal Corporation on April 3, 2008 for seismic retrofit of the City Hall, Police Station, and Fire Station, and renovation of the Fire and Police Stations. Construction for City Hall started on May 12, 2008, and the Police and Fire Stations work started on September 2, 2008. Work was substantially complete as of 07-01-2010.

PROJECT DISCUSSION

A Certificate of Final Completion was executed in July with three deficiencies identified:

1. Repair of a blocked sewer line at Police
2. Installation of a grease trap missing from the Fire Station kitchen exhaust hood.
3. Sewer repair at Fire Station and EOC due to improper drainage of sewer line.

Item 2 has since been installed and items 1 and 3 are currently being repaired although there is a dispute between the City and the Contractor on the issue of who is at fault. The City's position is that scheduling and systems integrity is the responsibility of the general contractor. The Contractor's position is they allegedly received direction from the city to hook up and complete the sewer at Police and EOC before new Fire Department sewer work was completed. As a result the connection to the Fire Station created a flat sewer line without proper drainage.

The disagreement will likely be handled through standard construction industry dispute resolution procedures.

FINANCIAL IMPACT

The contract work is 100% complete and the total amount expended is \$ 9,281,407.34.

This sum is divided into two parts:

- a) Ongoing payments to the contractor that totaled \$8,353,267
- b) 10% retention funds totaling \$928,140 that were held in escrow.

50% of the \$ 928,140 retention held in escrow was released to the Contractor in July.

The remaining retention balance is \$ 464,070 of will be released to the Contractor 35 days after the Notice of Completion is filed, minus a sum equal to 150 percent of estimated costs to remedy the deficiencies noted above. This approach will protect the City's interests during the dispute resolution process.

Attachments

City Council Resolution No. 2010-43
Notice of Completion