

Agenda Report

November 7, 2005

To: CITY COUNCIL

From: CITY MANAGER

Subject: Authorization to Increase the "Not-to-Exceed" Amount of Contract Number 18,270-2 with R. T. Larsen, Inc. from \$750,000 to \$990,000 for Utility Street Repairs

RECOMMENDATION

It is recommended that the City Council approve a \$240,000 increase to the amount of contract number 18,270-2 with R. T. Larsen, Inc., thereby increasing the "Not-to-Exceed" amount from \$750,000 to \$990,000 for providing labor and materials for utility street repairs for Pasadena Water and Power.

BACKGROUND

On June 2, 2003, the City Council authorized the City Manager to enter into a contract with R. T. Larsen, Inc. for utility street repairs. The contract was for an annual not-to-exceed amount of \$750,000 for the term of the contract and for any subsequent extensions. The contract was for an initial period of two years or until the funds were expended, whichever occurs first, with an option to extend the contract for two additional one-year periods, subject to the approval of the General Manager of Water and Power.

The funds allocated for the initial two year period and the optional two one-year extensions have been expended in less than three years. The original estimate for the annual amount did not fully take into account the additional work made necessary by the water system master plan water main replacement program.

Under the contract, R.T. Larsen Inc. was used on an as-needed basis and monitoring of the remaining balance was done on a monthly basis. Due to the increased work load, the contractor was given several jobs, but he did not submit the invoices on a timely basis and thereby accumulated a total greater than the authorized "not-to-exceed" amount.

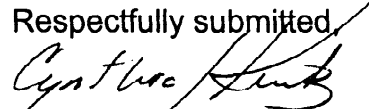
The amount being requested will pay for work already completed, \$122,955.33, and the balance of \$117,044.67 will pay for the paving of existing street cuts, which have to be completed before the Public Works holiday moratorium.

Water and Power is preparing a new specification and will go out to bid soon. Corrective measures will be taken to make sure that the contractor does not perform work that exceeds the authorized amount. A new section will be added to the specification stating that the contractor will carefully monitor the amount of work he has completed and submit invoices on a monthly basis. It will state that the contractor will not be paid for any work beyond the not-to-exceed amount in the contract. A closer monitoring of the contractor will also be done.

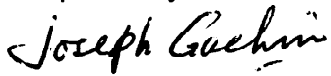
The proposed contract amendment will provide sufficient funds to pay for work that has already been completed and also for repaving existing street cuts, which must be completed before the holiday moratorium of December 15, 2005.

FISCAL IMPACT

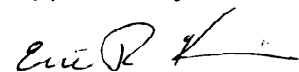
Sufficient funds are provided in the Fiscal Year 2005-2006 Capital Improvement Budget, Account 1001.

Respectfully submitted,

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City Manager

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