

CITY OF DANA POINT
AGENDA REPORT

Reviewed By:	
DH	X
CM	X
CA	X

DATE: MARCH 26, 2002

TO: CITY MANAGER/CITY COUNCIL

FROM: ROBERT A. WARREN, DIRECTOR OF PUBLIC WORKS AND ENGINEERING SERVICES

SUBJECT: ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, APPROVING A NOTICE OF COMPLETION FOR THE CRYSTAL LANTERN STORM DRAIN PHASE I PROJECT

RECOMMENDED ACTION:

That the City Council (1) adopt a resolution entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT,
CALIFORNIA APPROVING A NOTICE OF COMPLETION FOR THE CRYSTAL
LANTERN STORM DRAIN PHASE I PROJECT**

(2) direct the City Attorney to continue negotiations with the IFT Pipeline Engineers' surety, American Safety Casualty Insurance Company, related to liquidated damages and the unresolved issue of the brick sidewalk at 34142 Manzanita; and (3) direct that any project savings be transferred to the Capital Improvement Program (CIP) Reserves.

ISSUES:

A contract for the construction of the Crystal Lantern Storm Drain Phase I Project was awarded on January 23, 2001. On or about July 5, 2001, before the work had been finished, the Contractor, IFT Pipeline Engineers (IFT), abandoned the Crystal Lantern Storm Drain Phase I Project. Since IFT was in default, the City was forced to work with its surety, American Safety Casualty Insurance Company, to execute a takeover agreement and complete the project. The City Council approved the takeover agreement on March 26, 2002 and the project construction was substantially completed, except for one remaining issue related to the brick sidewalk at 34142 Manzanita. Since the work has been completed, it would be appropriate for the City Council to approve a Notice of Completion.

BACKGROUND:

At their meeting of November 14, 2000, the City Council approved the plans and specifications and authorized advertisement for bids for the Crystal Lantern Storm Drain Project, Phase I. The scope of the project was to construct a new storm drain in Crystal Lantern between Pacific Coast Highway (PCH) and Manzanita Drive. A short section of storm drain was also to be constructed in PCH in order to connect the new storm drain with the nearest existing facility. Seventeen (17) inlet structures were to be constructed along Crystal Lantern and Manzanita Drive to capture storm water runoff. All inlet structures were designed to include inlet filters to capture trash, debris and sediment before it enters the storm drain system. The proposed storm drain system was designed for a twenty-five (25) year storm.

The City awarded a contract to IFT Pipeline Engineers (Contractor) on January 23, 2001. On or about July 5, 2001, the Contractor abandoned the project before the work had been completed. The result was that the Contractor defaulted on the contract.

The City made the determination that the Contractor did not comply with the completion of the work in good faith, had been determined to be insolvent, and was determined to be unable to complete the project and in default effective on or about July 5, 2001. The Contractor had completed approximately sixty (60) percent of the project at the time of default.

The City attorney worked diligently to complete a takeover agreement with the American Safety Casualty Insurance Company, the surety for IFT Pipeline Engineers, which was approved by the City Council on March 26, 2002.

DISCUSSION:

The City Inspector and the City Engineer have inspected the work that was completed under the takeover agreement and have confirmed that the project was constructed in accordance with the approved plans and specifications, except for the sidewalk at 34142 Manzanita which is being addressed by the City Attorney with IFT's surety. Therefore, staff recommends that the City Council approve a Notice of Completion, attached as Action Document A.

NOTIFICATION/FOLLOW-UP:

City Attorney
PBS&J

STRATEGIC PLAN IMPLEMENTATION

In compliance with the Strategic Plan Initiative to maintain, modernize and beautify the City’s infrastructure and neighborhoods, this project implements the tactical element of upgrading and constructing new storm drains to carry storm flows.

FISCAL IMPACT:

None

ALTERNATIVE ACTIONS:

- 1. Other actions at the discretion of the City Council

ACTION DOCUMENTS:

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SUPPORTING DOCUMENTS:

None.

Action Document A – Resolution**RESOLUTION NO.****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA APPROVING A NOTICE OF COMPLETION FOR THE CONSTRUCTION OF THE CRYSTAL LANTERN STORM DRAIN PHASE I PROJECT**

THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the City of Dana Point has entered into an agreement with IFT Pipeline Engineers for the construction of the Crystal Lantern Storm Drain Phase I Project, and

WHEREAS, IFT Pipeline Engineers abandoned the Crystal Lantern Storm Drain Phase I Project before construction was complete, and

WHEREAS, the City of Dana Point has entered into a takeover agreement with American Safety Casualty Insurance Company to complete the construction of the Crystal Lantern Storm Drain Phase I Project on behalf of IFT Pipeline Engineers, and

WHEREAS, the Director of Public Works and Engineering Services has evaluated the work and cost figures and recommends approval.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Dana Point as follows:

Section 1. That the work required to be performed by said Contractor has been completed.

Section 2. That the work is hereby accepted and approved.

Section 3. That the City Clerk is directed to certify the Resolution and to forthwith forward a "Notice of Completion" to the Recorder of the County of Orange for recording.

Section 4. That the City Clerk is directed to release security posted for the completion of the project thirty-five (35) days after recordation of the Notice of Completion by the County of Orange Recorder, provided that no stop notices have been filed against said contractor and all issues are resolved with American Safety Casualty Insurance Company.

PASSED, APPROVED, AND ADOPTED this 26th day of March, 2003.

WILLIAM L. OSSENMACHER, MAYOR

ATTEST:

Susan A. Ramos, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF DANA POINT)

I, Susan A. Ramos, City Clerk of the City of Dana Point, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. _____ adopted by the City Council of the City of Dana Point, California, at a regular meeting thereof held on the 26th day of March, 2003, by the following vote:

AYES:

NOES:

ABSENT:

(SEAL)

Susan A. Ramos, City Clerk

Action Document B – Notice of Completion

*Recording Fees Exempt per
Government Code Section 6103*

Recording Requested by:

Public Works Department
City of Dana Point
33282 Golden Lantern
Dana Point, California

When Recorded Please Mail to:

CITY CLERK
CITY OF DANA POINT
33282 GOLDEN LANTERN
DANA POINT, CA 92629

This Space for Recorder's Use Only

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that a contract was heretofore awarded by the City Council of the City of Dana Point, California, to IFT Pipeline Engineers, for the performance of the following work:

Crystal Lantern Storm Drain Phase I Project

Said work was completed on July 12, 2002 by American Safety Casualty Insurance Company on behalf of said company; was completed in accordance with City standards and to the satisfaction of the Director of Public Works and Engineering Services of the City of Dana Point except the brick sidewalk at 34142 Manzanita; and was accepted by the City Council of the City of Dana Point, owner, at a regular meeting thereof held on the 26th day of March, 2003, by Resolution No. _____.

Upon said contract, surety was given by American Safety Casualty Insurance Company, Bond No. ASB 04-02-0359 as required by law.

DATED this _____ day of _____, 2003, at Dana Point, California.

Susan A. Ramos, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF DANA POINT)

I, _____, City Clerk of the City of Dana Point, California, do hereby certify that the foregoing Notice of Completion is true and correct, and that said Notice of Completion was duly and regularly ordered to be recorded in the Office of the Orange County Recorder by said City Council.

DATED this _____ day of _____, 2003, at Dana Point, California.

Susan A. Ramos, City Clerk