

ITEM 4.16

CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN CONSTRUCTION CORPORATION FOR THE CTF DECHLORINATION FACILITY, ASSOCIATED WITH CIP WW 20-17 RECYCLED WATER RIVER DISCHARGE PROJECT

RECOMMENDATION: Adopt Resolution Accepting Public Improvements Constructed by Cushman Construction Corporation for the CTF Dechlorination Facility, Associated with CIP WW 20-17 Recycled Water River Discharge Project, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds

SUMMARY:

Cushman Contracting Corporation (Cushman) has completed the construction of the Consolidated Treatment Facility (CTF) Dechlorination Facility (Project), associated with the Recycled Water River Discharge, Capital Improvement Project (CIP) WW 20-17. Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Cushman has submitted lien releases confirming all sub-contractors and suppliers have been paid in full and provided a one-year warranty bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the completed improvements by Cushman for the construction of the CTF Dechlorination Facility, related to the related to the Recycled Water River Discharge, CIP WW 20-17. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Cushman of \$219,266 within forty-five (45) days after recording the Notice of Completion, and the release of performance and payment bonds.

BACKGROUND:

On September 13, 2021, City Council awarded a construction contract in the amount of \$3,620,000 to Cushman for the construction of the CTF Dechlorination Facility. These improvements will remove trace chlorine from the Consolidated Treatment Facility effluent prior to discharging to the San Joaquin River in accordance with the discharge permit requirements.

During construction, contract change orders were issued for a final contract amount of \$4,385,327. The Project's costs referenced below capture all construction expenditures.

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CONSTRUCTION FOR THE CTF DECHLORINATION FACILITY, CIP WW 20-17

Construction costs are as follows:

A. Construction Contract	\$3,620,000
B. Contract Change Orders	<u>\$ 765,327</u>
Total Construction Contract Costs	\$4,385,327

Upon acceptance of the improvements, the performance bond (Bond No. 107-407-647, \$3,620,000 and payment bond (Bond No. 107-407-647, \$1,810,000) will be released and replaced with a one-year warranty bond (Bond No. 107-407-647, \$438,532.70). The one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance due to any defective materials or workmanship in connection with the completed improvements. Cushman has also provided the necessary lien releases for the materials supplied and completed work.

Staff requests City Council accept the completed improvements by Cushman for the construction of the CTF Dechlorination Facility, associated with the Recycled Water River Discharge, CIP WW 20-17. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Cushman for \$219,266 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

REASON FOR RECOMMENDATION:

Cushman has completed the project pursuant to the construction contract documents. Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Cushman has submitted a one-year warranty bond for the improvements to be accepted (based on 10% of the construction contract) and lien releases confirming all sub-contractors and suppliers have been paid in full. The warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements.

The performance bond and payment bond will be released and replaced with the one-year warranty bond (based on 10% of the contract price) upon City Council's acceptance of the improvements.

FISCAL IMPACT:

The final construction contract amount with Cushman for the Project is for \$4,385,327.

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Adequate funds have been allocated in the FY 2023/24 budget to close out the project. With the completion of the Project, staff requests that unused funds be transferred back into the project funding sources.

ATTACHMENTS:

- A. Resolution Accepting Public Improvements Constructed by Cushman Construction Corporation for the CTF Dechlorination Facility, Associated with CIP WW 20-17 Recycled Water River Discharge Project, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds
- B. Notice of Completion – CTF Dechlorination Facility, Capital Improvement Project WW 20-17

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APPROVALS:



Ken Reed
Senior Construction Manager

6-28-23


Date



Brad Taylor
City Engineer

6/28/2023

Date



Cari James
Finance Director

6/29/2023


Date



Michael King
Assistant City Manager

6/28/2023

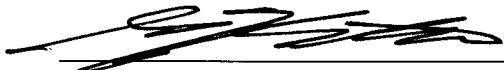
Date



Salvador Navarrete
City Attorney

6-28-2023

Date



Stephen J. Salvatore
City Manager

7.5.23

Date

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN CONSTRUCTION CORPORATION FOR THE CTF DECHLORINATION FACILITY, ASSOCIATED WITH CIP WW 20-17 RECYCLED WATER RIVER DISCHARGE PROJECT, AUTHORIZING THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, AND RELEASE OF PERFORMANCE AND PAYMENT BONDS

WHEREAS, on September 13, 2021, City Council awarded a construction contract to Cushman Contracting Corporation (Cushman) for the construction of the Consolidated Treatment Facility (CTF) Dechlorination Facility (Project), associated with the Recycled Water River Discharge, Capital Improvement Project (CIP) WW 20-17, in the amount of \$3,620,000, and a 10% construction contingency of \$362,000 was authorized for staff to use as necessary to achieve the goals of the Project; and

WHEREAS, the scope of work included construction of improvements that will remove trace chlorine from the CTF effluent prior to discharging to the San Joaquin River (River) in accordance with the discharge permit requirements; and

WHEREAS, Cushman has successfully completed the Project at a total cost of \$4,385,327; and

WHEREAS, staff inspected the improvements and the City Engineer deemed the improvements complete and in accordance with the approved plans and specifications; and

WHEREAS, Cushman has provided the necessary lien releases for the materials supplied and completed work and a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted; and

WHEREAS, the performance bond (Bond No. 107-407-647, \$3,620,000 and payment bond (Bond No. 107-407-647, \$1,810,000) will be released and replaced with a one-year warranty bond (Bond No. 107-407-647, \$438,532.70); and

WHEREAS, the one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

WHEREAS, adequate funds have been allocated in the FY 2023/24 budget to close out the Project. With the completion of the Project, staff requests that unused funds be transferred back into the project funding sources; and

WHEREAS, staff requests City Council accept the completed improvements by Cushman for the construction of the CTF Dechlorination Facility, associated with the Recycled Water River Discharge, CIP WW 20-17; and

WHEREAS, staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Cushman, in the amount of \$219,266 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the completed public improvements constructed by Cushman Contracting Corporation for the construction of the CTF Dechlorination Facility, associated with the Recycled Water River Discharge, CIP WW 20-17, pursuant to the construction contract documents; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop authorizes the filing of the Notice of Completion with the San Joaquin County Clerk and the release of the contract retention to Cushman, in the amount of \$219,266, within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop approves the unused funds be transferred back into the project funding sources.

The foregoing resolution was passed and adopted this 10th day of July 2023 by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

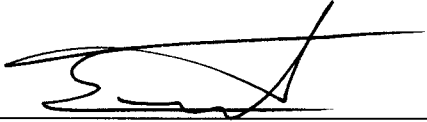
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330
Exempt from payment of recording fees (GC 11922)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

1. That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:
NAME STREET AND NO. CITY STATE AND ZIP CODE
City of Lathrop 390 Towne Centre Drive Lathrop CA 95330
(If more than one owner of the interest stated, the name and address of each must be stated)

2. That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.

3. That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is: Cushman Contracting Corporation.

4. That on the 10th day of July 2023 a work of improvement on the real property herein described was completed.

5. That the name of the original contractor, if any, for said work of improvement was: Cushman Contracting Corporation

6. That the name and address of the transferor is:
NAME STREET AND NO. CITY STATE AND ZIP CODE
Cushman Contracting Corporation P.O. Box 147 Goleta, CA 93116

7. That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:

CIP WW 20-17 CTF DECHLORINATION FACILITY
18800 Christopher Way, Lathrop, CA 95330

CITY OF LATHROP

By: _____
Stephen J. Salvatore, City Manager Date

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: _____
Teresa Vargas, City Clerk Date

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **July 10, 2023** by **Cushman Contracting Corporation** to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **July 10, 2023**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By _____
Stephen J. Salvatore, City Manager

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