

CITY OF SOUTH GATE OFFICE OF THE CITY MANAGER **AGENDA BILL**

12pm

For the Regular Meeting of: **November 24, 2020**

Originating Department: **Public Works**

Department Director:

[Signature]
 Arturo Cervantes

City Manager:

[Signature]
 Michael Flad

SUBJECT: CONTRACT CHANGE ORDER NO. 1 TO CONTRACT NO. 2020-83-AC, WITH HOT LINE CONSTRUCTION, INC., FOR ELECTRICAL REPAIRS AS PART OF THE I-710 CORRIDOR SOUNDWALL PROJECT, CITY PROJECT NO. 587-ST

PURPOSE: Hot Line Construction, Inc. (HLC) was contracted to perform electrical improvements in conjunction with the relocation of Southern California Edison (SCE) power poles, as a part of the I-710 Corridor Soundwall Project. Proposed Contract Change Order No. 1 will fund electrical repair work that was performed beyond the contracted scope of work, on an urgent basis, due to unforeseen conditions.

RECOMMENDED ACTIONS: The City Council will:

- a. Approve Contract Change Order No. 1 with Hot Line Construction, Inc., to compensate for the urgent repair work that was completed due to unforeseen conditions as a part of the I-710 Corridor Soundwall Project, City Project No. 587-ST, in the amount of \$13,791; and
- b. Authorize the Assistant City Manager/Director of Public Works to execute Contract Change Order No. 1.

FISCAL IMPACT: There is no Fiscal Impact to the General Fund. Contract Change Order No. 1 is in the amount of \$13,791 and it will be funded with Measure R Funds budgeted in Account No. 311-790-31-9571 under the I-710 Corridor Soundwall Project as summarized below:

Project Service	Cost
Construction Contract No. 2020-83-AC	\$11,538
Contract Change Order No. 1	\$13,791
Revised Total Contract Amount	\$25,329

ANALYSIS: The I-710 Corridor Soundwall Project (Project) is under construction, and is under a construction contract with Ortiz Enterprises, Inc. (Construction No. 3566). As a part of the Project, SCE's overhead facilities and power poles were relocated to make way for the new soundwall. Relocating one of the power poles required intercepting and installing a new connection between the pole and the Thunderbird Villa Mobile Home Park, which work was unforeseen and therefore not a part of the construction contract with Ortiz Enterprises, Inc. Ortiz Enterprises, Inc., informed the City they were unable to perform the needed work via a contract change order. As such, a construction contract (Contract 2020-83-AC) was administratively awarded to HLC.

During the construction of the electrical improvements by HCL, another unforeseen condition surfaced. A collapsed SCE conduit was discovered and its repair was not a part of Contract 2020-83-AC. Staff directed HLC to proceed with the repairs of the collapsed conduit. Contract Change Order

No. 1 is necessary to pay HCL for the repairs. The urgent repairs were necessary to avoid construction delays and additional costs from the general contractor for the construction of the Project.

BACKGROUND: The I-710 Corridor Soundwall Project required the relocation of several Southern California Edison poles. One of the power poles involves a conduit connection for the Thunderbird Villa Mobile Home Park. The City contracted HLC to intercept the existing line and install additional conduit. During construction, HLC was not able to pull new wires through the SCE conduit. A video survey by HLC showed a collapsed SCE conduit at two different locations, which prompted the City to direct HLC to provide an immediate emergency repair for a not-to-exceed amount of \$13,791, as not to delay the construction of the I-710 Corridor Soundwall Project.

Contract 2020-83-AC was procured through an informal competitive bidding process, in accordance with Section 1.54.320 of the South Gate Municipal Code. This section states, "Purchases of supplies, equipment and services at a price or having an estimated value equal to or greater than two thousand dollars but not greater than fifty thousand dollars may be made using the informal bidding procedures prescribed by this section rather than the formal bidding procedures set forth in Section 1.54.310 of this chapter." The process entailed requesting written bids for the work based on a design plan showing the conduit interception. On June 8, 2020, bids were requested from four contractors. On August 21, 2020, two bids were electronically received via email in the Engineering Division, by the Associate Engineer, which are listed below:

Bidder Name	Total
Hot Line Construction, Inc.	\$11,538.00
Asplundh Construction Corp.	\$29,810.00
Hampton Tedder, Inc.	Unresponsive
Herman Weissker, Inc.	Unresponsive

HLC submitted the lowest responsible and responsive bid in the amount of \$11,538. HLC was selected for the contract.

Contract 2020-83-AC with HCL was awarded administratively, in accordance with Section 1.54.320 (C) of the South Gate Municipal Code. This section states, "Award of Contract. Following receipt of at least three such informal bids, the purchasing supervisor shall award the contract to the vendor offering the most advantageous quote to the city after consideration of price, quality, durability, service, delivery time, standardization, and any other factors deemed necessary by the purchasing supervisor to secure the best value for the city."

Ortiz Enterprises, Inc., is the prime contractor on the I-710 Corridor Soundwall Project. Traditionally, when the need for additional work arises, it is handled through a change order with the prime contractor. In this case, Ortiz Enterprises, Inc. declined to submit a cost proposal because his electrical sub-contractor was not interested in performing the needed work. Staff then opted to obtain informal bids in accordance with the South Gate Municipal Code.

- ATTACHMENTS:**
- A. Proposed Contract Change Order No. 1
 - B. Contract No. 2020-83-AC with HLC

VC/ES:lc

CITY OF SOUTH GATE
PUBLIC WORKS DEPARTMENT

CONTRACT CHANGE ORDER

CHANGE ORDER #:	<u>1</u>	CITY PROJECT #:	<u>587-ST</u>
PROJECT TITLE:	<u>I-710 Corridor Sound Wall Project</u>	PURCHASE ORDER #:	<u>5875</u>
CONTRACT #:	<u>2020-83-AC</u>	CHANGE REQUESTED BY:	<u>City of South Gate</u>
CONTRACTOR:	<u>Hot Line Construction, Inc.</u>	DATE OF REPORT:	<u>9/23/2020</u>
		Acct. No.	<u>311-790-31-9571</u>

You are hereby authorized to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications for this contract. NOTE: This Change Order is not effective until approved by the Engineer.

	Cost	Calendar Days
Original Contract Amount:	\$ 11,538.00	-
Previous Change Order Amount:	\$ -	-
Contract Change Order Amount: CCO No. 1	\$ 13,790.40	-
Total Increase to contract (all change orders) to date:	\$ 13,790.40	-
Revised Total Contract Amount:	\$ 25,328.40	-
Percentage of Total Increase (or Decrease) to Contract Amount to Date:	119.52%	-

DESCRIPTION OF CHANGE ORDER WORK TO BE PERFORMED, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Change in Bid Item Quantities									
Item #	Detailed description	Contract Quantity	Previous Change Orders Quantity	THIS Change Orders Quantity	Total Adjusted Contract Quantity	Unit	Unit Cost	Change Order Cost	Time Extension Working Days
1	Repair unforeseen collapsed conduit, including necessary saw cutting, excavation, backfill, and temporary pavement.	0	0	1	1	LS		\$ 13,790.40	-
							Total Cost:	\$ 13,790.40	0
THE TOTAL AMOUNT OF THIS CONTRACT CHANGE ORDER IS:								\$ 13,790.40	0

Approval Recommended by:	_____	Date:	_____
Elias Saikaly, Project Manager			
Approval Recommended by:	_____	Date:	_____
Emilio Murga, P.E., Consultant City Engineer			
Approved by:	_____	Date:	_____
Arturo Cervantes, P.E., Assistant City Manager / Director of Public Works			

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above. NOTE: If you, the Contractor, do not sign acceptance of this Order, your attention is directed to the requirements of the Specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

Accepted by:	_____	Date:	_____
Contractor's Representative			
Title:	_____		



REV 6 PROPOSAL

CONTRACTORS LICENSE # 710855 - A, C10; EXP 08/31/2022

CONTRACTORS DIR# 1000001001 EXP 06/30/2021

SUPPLIER CLEARINGHOUSE CERTIFIED WOMAN OWNED BUSINESS, VON: 96LN0016

Greg Griggs
 Estimator/ PM
 12250 Temescal Canton Road
 Corona, CA 92883
 Phone (209) 470-0983

DATE September 29, 2020
 Customer City of Southgate
 Per Plans by SO CAL EDISON
 Plans dated 5/30/2019
 Plans pages 1 - 2
 Project # 1790405
 inspector TBD

ATTENT: [City of Southgate
 Victor H. Chavez](mailto:vchavez@soqate.org)
 EMAIL: vchavez@soqate.org
 PHONE: Direct: (323) 357-9661

Project Name		Location			Payment Terms
W. FRONTAGE ROAD CONDUIT INTERCEPT		W. Frontage Road & So. Avenue			30 Days
Item	Description	Qty	UM	Unit Price	Line Total
Proposal Includes The Following By Hot Line Construction, Inc:					
1	USA construction area. Have a preconstruction meeting. Coordinate with Edison and the City of Southgate to mob after the power has been temporary turn on to the Thunderbird Villa's and the cable has been removed by Edison.			Included	
2	1. Customer to intercept (2) existing steel conduits with new PVC.	1	LS	\$ 2,853.00	\$ -
	2. Customer to install approximately 10' of (2) new 4" ducts from where duct is intercepted to new pole.	1	LS	\$ 4,650.00	\$ -
	3. Customer responsible for mandrel once new conduit is installed from new transformer pole to custer's panel.	1	LS	\$ 1,700.00	\$ -
	4. Customer responsible for locating conduit on the property.	1	LS	\$ 1,585.00	\$ -
	5. Customer responsible for securing all necessary permits for trenching, installation of duct ect.	1	LS	\$ 750.00	\$ -
3	Saw cut, excavate, repair conduit backfill, temp pave. Day 2 mandrel.	1	LS	\$ 9,784.00	\$ 9,784.00
4	Scope conduit, saw cut, excavate, reaire conduit backfill, temp pave. 2nd repair	1	LS	\$ 4,006.40	\$ 4,006.40
Inclusions & Exclusions					
*** Excludes engineering, testing, inspection, bonds, survey & permits other than encroachment Permit.					
*** Lay down / staging area will not be needed.					
*** Construction water provided by HOT Line Construction.					
*** Pricing includes prevailing wage rates. IBEW Local 47 wages (Underground Agreement) does not apply.					
*** Trench Backfill to be left in a loader smooth condition. Finish grading is not included.					
*** Billing units to be field measured.					
*** All Generated spoils and materials will be haul off.					
*** Traffic Control by HLC. No traffic plans included.					
*** Proposal based on work Hours are 7:00 AM to 3:30 PM M - F					
*** Additional move on's will by \$3,500 per occurrence					
*** Includes All needed coordination with other utilities.					
*** Conduit to be uncased.					

*** Maintaining power to Thunderbirds villa is not apart of this proposal.					
*** THIS PROPOSAL IS VALID FOR 60 DAYS FROM DATE OF ITS SUBMISSION.					
TOTAL BID AMOUNT					\$ 13,790.40

THANK YOU FOR THIS OPPORTUNITY!

**AGREEMENT FOR THE I-710 SOUNDWALL - CONDUIT INTERCEPTION WORK
BETWEEN THE CITY OF SOUTH GATE AND HOT LINE CONSTRUCTION, INC.**

This Agreement for the I-710 Soundwall – Conduit Interception Work (“Agreement”), is made and entered into on August 12, 2020, by and between the City of South Gate, a municipal corporation (“City”), and Hot Line Construction, Inc., a California corporation, License No. C1922490 (“Contractor”). City and Contractor are sometimes hereinafter individually referred to as a “Party” and collectively referred to as “Parties.”

The City and the Contractor hereto mutually agree as follows:

ARTICLE I

THE PROJECT

For and in consideration of the mutual promises set forth herein, Contractor agrees with City to perform and complete in good and workmanlike manner all work required by the Contract Documents for City Contract No. _____, which involves the I-710 Soundwall – Conduit Interception Work.

Said work shall be performed in accordance with the Plans, Specifications, and other Contract Documents, all of which are referenced in Article III hereof and incorporated herein as though fully set forth. Contractor shall furnish at its own expense all labor, materials, equipment and services necessary therefore, except such labor, materials, equipment and services as are specified in the Contract Documents to be furnished by City.

ARTICLE II

CONTRACT SUM AND PAYMENT

For performing and completing the work in accordance with the Contract Documents, City shall pay Contractor, in full compensation therefore, the contract sum of **Eleven Thousand Five Hundred Thirty-Eight Dollars (\$11,538)** set forth in the Bid Schedule(s) that are included among the Contract Documents. Said sum shall constitute payment in full for all work performed hereunder, including, without limitation, all labor, materials, equipment, tools and services used or incorporated in the work, supervision, administration, overhead, expenses and any and all other things required, furnished or incurred for completion of the work as specified in the Contract Documents. City shall make payments to Contractor on account of the contract sum at the time, in the manner, and upon the conditions specified in the Contract Documents.

ARTICLE III

CONTRACT DOCUMENTS

The Contract Documents, which constitute the entire Agreement between the City and the

Contractor, are enumerated as follows: the Notice Inviting Bids, the Instructions to Bidders, the Accepted Proposal, the Bid Schedule(s), the List of Subcontractors, Contractor's Industrial Safety Record, the Contractors Qualification Statement, the Bid Security Forms for Check or Bond, this Agreement, the Worker's Compensation Insurance Certificate, the Performance Bond, the Payment Bond, the Non-Collusion Affidavit, the Specifications, and Special Provisions and all addenda as prepared prior to the date of bid opening setting forth any modifications or interpretations of any of said documents, and any and all supplemental agreements heretofore or herewith executed amending or extending the work contemplated and which may be required to complete the work in a substantial and acceptable manner, all of which are referred to as the Contract Documents. These form the entire "Contract", and all are as fully a part of the Contract as if attached to this Agreement or repeated herein.

ARTICLE IV

INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend (with counsel selected by the City), the City of South Gate and its affiliated entities, its officers, employees, consultants and sub-consultants, their respective officers, agents, employees (collectively the "Indemnified Parties"), from any and all claims and losses whatsoever occurring or resulting to any and all persons, firms, or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, any and all claims, lawsuits or actions arising from the awarding or execution of this Agreement, and from any and all claims and losses occurring or resulting to any person, firm, corporation or property for damage, injury, death arising out of or connected with the Contractor's obligation to indemnify, defend and save harmless the "Indemnified Parties" as stated hereinabove including, but not be limited to, paying all legal fees and costs incurred in connection with any such claims, losses, lawsuits or actions. THIS PROVISION SHALL SURVIVE THE COMPLETION OF WORK AND SERVICES TO BE PROVIDED UNDER THIS AGREEMENT AND THE OTHER CONTRACT DOCUMENTS.

ARTICLE V

COMMENCEMENT, COMPLETION AND LIQUIDATED DAMAGES

Contractor shall commence work on a date to be specified in a written Notice to Proceed from the City's Director of Public Works, and shall complete all work within ninety (90) calendar days thereafter (subject to "force majeure" delays, if any, to the extent allowed under the Contract Documents). If the work is not completed within that time, Contractor shall owe and pay to the City liquidated damages in the amount or amounts set forth in the Contract Documents.

ARTICLE VI

EFFECTIVE DATE

This Agreement shall become effective and commence on August 12, 2020.


IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

CITY OF SOUTH GATE:


By: 
Michael Flad, City Manager

Dated: 8-20-20

ATTEST:

By: 
Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: 
Raul F. Salinas, City Attorney

HOT LINE CONSTRUCTION, INC.:

By: 
Kelly Katchera, Chief Financial Officer

Dated: August 19, 2020

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Contra Costa
On August 19th/2020 before me, Amanda Kutchera - Notary
Date Here Insert Name and Title of the Officer
personally appeared Kelly G. Kutchera
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Amanda Kutchera
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer - Title(s): _____ Corporate Officer - Title(s): _____

Partner - Limited General Partner - Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____

WORKER'S COMPENSATION INSURANCE CERTIFICATE

The Contractor shall execute the following form as required by the California Labor Code, Sections 1860 AND 1861.

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract.

DATED: August 19, 2020

HOT LINE CONSTRUCTION, INC.

Contractor

By: 
Kelly Kutchera

Chief Financial Officer
Title

ATTEST:

By: _____
Signature

Title

INDEMNIFICATION AND LIABILITY INSURANCE REQUIREMENTS

The following requirements must be met when submitting insurance certificates to the City of South Gate in connection with Public Works and other projects:

1. The insurance certificate must be issued to the City of South Gate, 8650 California Avenue, South Gate, CA 90280, attention of the City Engineer.
2. The City of South Gate, South Gate Housing Authority, and their officers, employees, elected officials, and agents must be shown as additional insured per ISO CG 20 10 11 85, and separate endorsement signed by an authorized representative of the insurance company is required.
3. The City has the right to request a copy of complete insurance policy including all endorsements and certificates.
4. The Certificate must include cross liability coverage either included in the Commercial General Liability coverage, and so indicate on the face of the Certificate under that heading or by separate endorsement.
5. The Certificate should also indicate that the insurance covers "All Operations" or should specify the particular services to be provided.
6. Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence from CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Course of Construction insurance covering for "all risks" of loss. Earthquake and flood insurance is not required to be furnished by the Contractor.

Contractor shall maintain limits no less than:

1. **General Liability:** \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project which is the subject of this Agreement and the location where work thereunder is to be performed, or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** \$1,000,000 per accident for bodily injury and property damage.
3. **Employer's Liability:** \$1,000,000 per accident for bodily injury or disease.
4. **Course of Construction:** Completed value of the project that is the subject of this Agreement.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, and volunteers are to be covered as insurers with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance or as a separate owner's policy.
2. For any claims related to the project that is the subject of this Agreement, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, or modified, by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

Course of construction policies shall contain the following provisions:

1. The City shall be named as loss payee.
2. The insurer shall waive all rights of subrogation against the City.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Subcontractors

Contractor shall include all subcontractors as insurers under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

Indemnification

The Contractor shall indemnify, hold harmless and defend (with counsel selected by the City of South Gate), the City of South Gate, the City of South Gate Housing Authority, their consultants and sub-consultants, and their respective officers, agents, and employees, from any and all claims and losses whatsoever occurring or resulting to any and all persons, firms, corporations or other entities furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, any and all claims, lawsuits or actions arising from the awarding or execution of this Agreement, and from any and all claims and losses occurring or resulting to any person, firm, corporation or other entity, or property for damage, injury, death arising out of or connected with the Contractor's obligation to indemnify, defend and save harmless the City of South Gate, the City of South Gate Housing Authority, their consultants, sub-consultants, and other parties listed above, as stated hereinabove shall include, but not be limited to, paying all legal fees and costs incurred by legal counsel of the City of South Gate's choice in representing the City of South Gate, the City of South Gate Housing Authority, consultants and sub-consultants in connection with any such claims, losses, lawsuits or actions. THIS PROVISION SHALL SURVIVE THE COMPLETION OF WORK AND SERVICES TO BE PROVIDED UNDER THIS AGREEMENT.