

**COUNCIL MEETING OF  
November 21, 2006**

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

Members of the Council:

**SUBJECT:** Community Development – Authorize transfer of funding for the cessation and clean up of Hawthorne Boulevard Landscape Project between Sepulveda Boulevard and Pacific Coast Highway

Expenditure: \$240,000

**RECOMMENDATION**

The Community Development Director recommends that the City Council:

1. Authorize the transfer of \$115,000 from the Hawthorne Boulevard Median Landscape Project (Del Amo Boulevard to North Boundary, A-20) to Hawthorne Boulevard Median Landscape Project (Sepulveda Boulevard to Pacific Coast Highway, A-14);
2. Authorize the transfer of \$125,000 from the Western Avenue Median Landscape Project (190<sup>th</sup> Street to Western Way, A-19) to Hawthorne Boulevard Median Landscape Project (Sepulveda Boulevard to Pacific Coast Highway, A-14);
3. Approve a contract (Contract No. C2004-152) amendment with Albert Grover & Associates in the amount of \$83,745.00 for project Inspection Services and extend the contract through February 28, 2006; and
4. Approve a contract (Contract No. C2004-098) amendment with S.H.E. Construction Group, Inc. in the amount of \$81,199.17 to close outstanding invoices on the project.

**Funding:** A total of \$240,000 from Capital Projects A-20 and A-19

- o \$115,000 from A-20 – Hawthorne Boulevard Median Landscape Project
- o \$125,000 from A-19 – Western Avenue Median Landscape Project

**BACKGROUND**

The Hawthorne Boulevard Median Landscape Project between Sepulveda Boulevard and Pacific Coast Highway (PCH) is listed as Project A-14 in the City's 5-Year Capital Improvement Budget. In June 2004, S.H.E. Construction Group, Inc. was awarded a contract to construct this median island improvements project for the Beautification of Hawthorne Boulevard. In addition to the Median Landscaping, the City owned property at

Construction could not commence until construction traffic control plans were approved by Caltrans in January 2005. The time delay for construction increased the material cost of the project, for which a change in contract was approved by Council in March 2005. The Notice to Proceed was not given to S.H.E. Construction until May 2005.

The City had several problems with S.H.E. Construction, which included an early Stop Notice from a sub-contractor and an unresponsive insufficient crew working on the project. Other Stop Notices have been filed as well.

### **ANALYSIS**

By August 2006, S.H.E. Construction had completed the majority of the construction improvements within the median islands and a portion of the work within the City property at the southeast corner of Hawthorne and PCH. In mid-September 2006, S.H.E. Construction Group ceased worked until the City could reconcile the pending portion of their August progress payment. The City wrote a letter to S.H.E. Construction in October 2006 ordering the contractor to return and complete their pending work. The contractor failed to return and maintain the project area, as required by contract.

Currently, construction in the medians between Sepulveda Boulevard and Pacific Coast Highway is approximately 98 percent complete. Remaining tasks to be performed in the medians are replacement of damaged plants, installation of mulch in the landscaping and the establishment and maintenance period.

In addition, construction at the southeast corner of Hawthorne Boulevard and Pacific Coast Highway is approximately 65 percent complete. Pending work includes completion of the irrigation system, which will be handled by Matucci Plumbing, soil amendment and fine grading, installation of plant material, shredded bark mulch and the establishment and maintenance period.

S.H.E. Construction Group has an outstanding balance of \$28,976.99. In addition, they have \$52,222.18 of disputed billing for traffic control, which is under review. We have been working with the City Attorney's Office on the closure of the project. Under advice by the attorney, the disputed billing will be negotiated as part of the closure, but the appropriation needs to provide for full potential payment in the amount of \$81,199.17.

The Community Development Department has contacted two other landscaping companies for immediate clean up of the medians from weeds and debris at an estimate of \$10,000.00. We have also asked for cost estimates, not to exceed \$50,000.00, to replace all dead/missing landscaping in the medians, an estimate for the completion of the landscaping at the corner of Hawthorne and Pacific Coast Highway, as well as a 90-day maintenance (clean-up, removal of weeds, and replacement of dead/traumatized plant material). If the estimates are in excess of \$25,000, an item will be brought to Your Honorable Body for review and approval to complete these pending items.

In order to bring closure to the contract with S.H.E. Construction and the other contractors on this project, final payments must take place for work completed.

Appropriation of funding requested for:

S.H.E. Construction Group, Inc. (C2004-098) – Prime Contractor	\$81,199.17
Albert Grover & Associates (C2004-152) – Construction Inspection	\$83,745.00
Mattucci Plumbing – Water Meter Installation	\$13,640.00
Anticipated funds needed to complete corner of Hawthorne/PCH	\$50,000.00
<u>Weeding/Debris medians</u>	<u>\$10,000.00</u>
TOTAL	\$238,584.17

The funding shortfall of Capital Project A-14 is available from Capital Projects A-19 and A-20. Due to existing landscaping in the medians north of 182<sup>nd</sup> Street, Project A-20 along Hawthorne Boulevard will be scaled back from Redondo Beach Boulevard to 182<sup>nd</sup> Street. In addition, we have recalculated the design and construction cost estimates based on current proposals and projected constructions costs for both projects A-19 and A-20. These changes will result in providing funds to cover the existing project shortfalls with A-14, yet maintain the ability to design and construct the next segment of the Hawthorne Boulevard (Project A-20) as well as the Western Avenue (Project A-19) median landscaping projects.

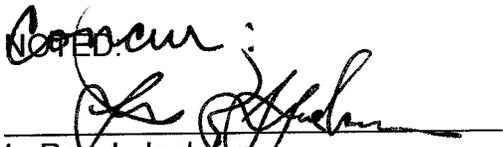
Respectfully submitted,

Jeffery W. Gibson  
Community Development Director

By   
Ted Semaan, Manager  
Redevelopment and  
General Plan Division

CONCUR:

  
Jeffery W. Gibson  
Community Development Director

  
LeRoy J. Jackson  
City Manager

Attachments: A. S.H.E. Construction Contract Amendment #4  
B. Albert Grover Contract Amendment #1  
C. Project Reference Map



**FOURTH AMENDMENT TO PUBLIC WORKS AGREEMENT (C2004-098)**

This Fourth Amendment to Agreement is made and entered into as of November 21, 2006, by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and S.H.E. Construction Group, Inc., a California Corporation ("CONTRACTOR").

**RECITALS:**

- A. CITY and CONTRACTOR entered into an Agreement as of June 8, 2004, whereby CONTRACTOR agreed to provide construction management support and inspection services.
- B. The original Agreement was effective through January 31, 2005.
- C. The Agreement was first amended as of March 22, 2005, to extend the Term through August 31, 2005.
- D. The Agreement was amended a second time as of February 7, 2006 to extend the Term through May 31, 2006.
- E. The Agreement was amended a Third time as of June 27, 2006 to extend the Term through October 31, 2006.
- F. Both parties wish to increase the compensation.

**AGREEMENT:**

1. Paragraph 3.A entitled "CONTRACTOR's Fee," is amended to read in its entirety as follows:

"A. CONTRACTOR's Fee.

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the Compensation Schedule attached as Exhibit B, provided, however, that in no event will the total amount of money paid the CONTRACTOR, for services contemplated by this Agreement, exceed the sum of \$820,000.00 ("Agreement Sum"), unless otherwise first approved in writing by CITY."

- 2. In all other respects, the Agreement entered into as of June 8, 2004, the First Amendment entered into as of March 22, 2005, the Second Amendment entered into as of February 7, 2006 and the Third Amendment entered into as of June 27, 2006, between CITY and CONTRACTOR is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE  
a Municipal Corporation

S.H.E. Construction Group, Inc.  
a California Corporation

\_\_\_\_\_  
Frank Scotto  
Mayor

By: \_\_\_\_\_  
David Sheetrit  
President

ATTEST:

\_\_\_\_\_  
Sue Herbers, City Clerk

APPROVED AS TO FORM:

John L. FELLOWS III  
City Attorney

By: \_\_\_\_\_  
Heather K. Whitham  
Deputy City Attorney

## ATTACHMENT B

**FIRST AMENDMENT TO CONTRACT SERVICES AGREEMENT (C2004-152)**

This First Amendment to Agreement is made and entered into as of November 21, 2006, by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Albert Grover & Associates, a California Corporation ("CONTRACTOR").

**RECITALS:**

- A. CITY and CONTRACTOR entered into an Agreement as of July 27, 2004, whereby CONTRACTOR agreed to provide construction management support and inspection services in the amount of \$32,400.
- B. The CITY is satisfied with the work performed by CONTRACTOR.
- C. The City wishes to extend the contract through February 28, 2006.
- D. The CITY and CONTRACTOR wish to increase the compensation in the amount of \$83,745.

**AGREEMENT:**

- 1. Paragraph 2 entitled "TERM" is amended to read as follows:

- A. TERM

This Agreement will continue in full force and effect through February 28, 2006.

- 2. Paragraph 3.A entitled "CONTRACTOR's Fee," is amended to read in its entirety as follows:

- B. CONTRACTOR's Fee.

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the Compensation Schedule attached as Exhibit B, provided, however, that in no event will the total amount of money paid the CONTRACTOR, for services contemplated by this Agreement, exceed the sum of \$116,145 ("Agreement Sum"), unless otherwise first approved in writing by CITY."

3. In all other respects, the Agreement dated July 27, 2004, between CITY and CONTRACTOR is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE  
a Municipal Corporation

Albert Grover & Associates  
a California Corporation

\_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
Albert Grover  
President

ATTEST:

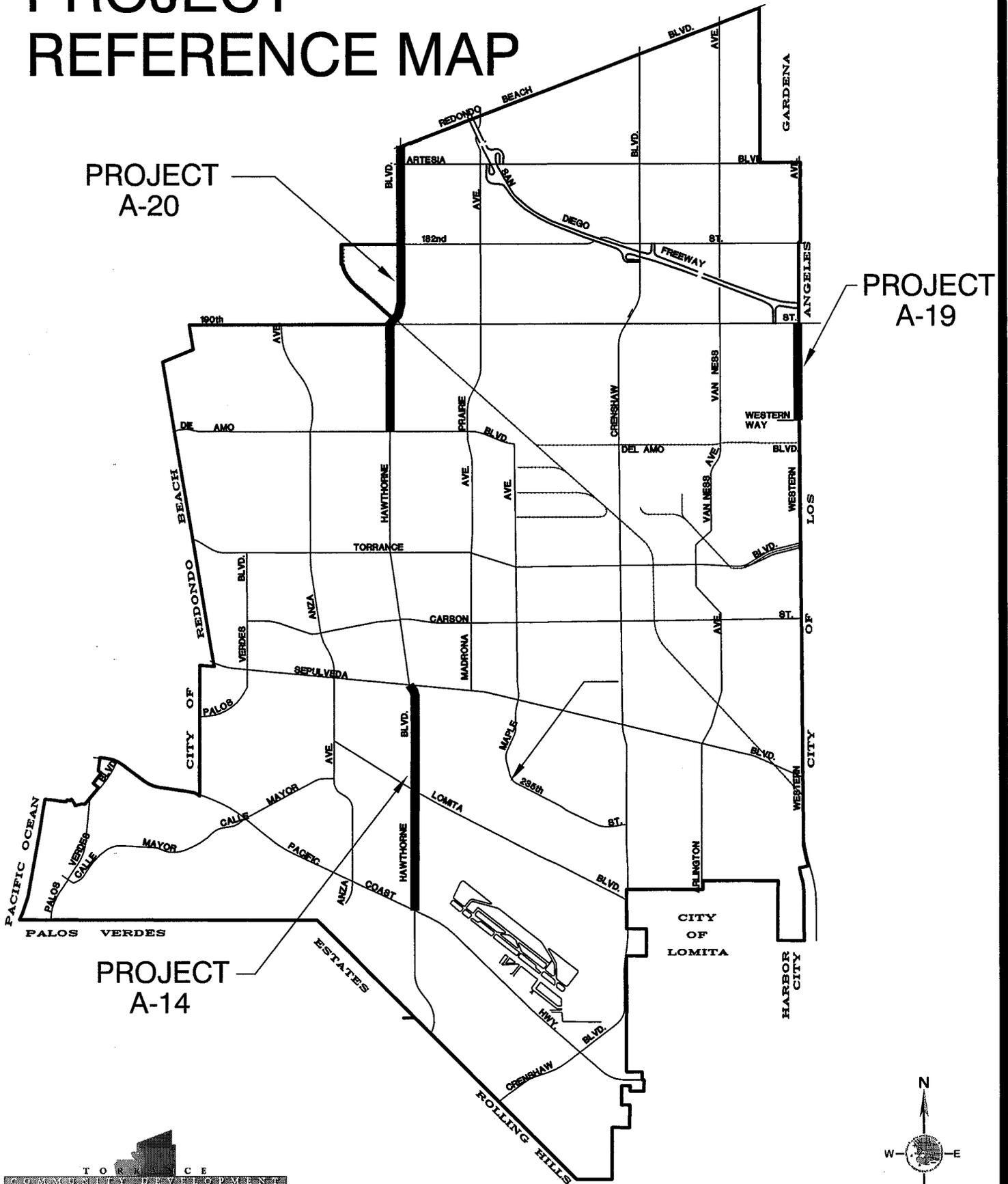
\_\_\_\_\_  
Sue Herbers, City Clerk

APPROVED AS TO FORM:

John L. FELLOWS III  
City Attorney

By: \_\_\_\_\_  
Heather K. Whitham  
Deputy City Attorney

# PROJECT REFERENCE MAP



PROJECT A-20

PROJECT A-19

PROJECT A-14

