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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 207
915 I STREET
SACRAMENTO, CA
95814-2673

OFFICE OF THE DIRECTOR

December 23, 1986

CITY MANAGER'S OFFICE
APPROVED
BY THE CITY COUNCIL

DEC 23 1986

OFFICE OF THE
CITY CLERK

916-449-5283

MELVIN H. JOHNSON
DIRECTOR
LESLIE M. FRINK
DEPUTY DIRECTOR
REGINALD YOUNG
DEPUTY DIRECTOR

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: BASE REPAIR BY COLD PLANNING OR RECYCLING AT VARIOUS
LOCATIONS - (PN: RB16) - COUNCIL CONTRACT C086030,
AGREEMENT AMENDMENT

SUMMARY

This contract has been awarded to provide an on-call contractor for base repair of small street areas. An amendment to the contract agreement is recommended to delete the requirement for ten percent retention for each job as it is performed.

BACKGROUND

This project provides the Street Division with a contractor to work on an on-call basis to repair small areas of various streets that require repair or recycling without a complete resurfacing of the street. Each time the contractor is called upon to perform, the particular job is handled as a separate project and the City is billed for the total time spend at the established hourly rate.

Inadvertently, the contract was executed using the standard terminology concerning the ten percent retention to cover possible liens filed by subcontractors of suppliers. Under these conditions, the retention would be paid, assuring no liens, thirty-five days after completion and acceptance of the contract work. In this case, the contract will not be completed until June 30, 1987, and the payment of the retention payment would not occur until August, 1987, even for work that had been accepted in October, 1986. Since the contractor is supplying a service and has no subcontractors, there will be no liens filed.

It is proposed that the contract agreement be modified to delete the requirement for the retention of ten percent, thus permitting full payment for each time the contractor is called upon to perform.

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FINANCIAL

There will be no change in the cost to the City for deletion of the retention requirement. The only change involves the time of payment of the retention monies, which would be paid following acceptance of each task, rather than waiting until after June 30, 1987, to make payment of the accumulation of the retentions for all of the individual tasks performed.

RECOMMENDATION

It is recommended that the City Council approve the attached Resolution which will permit payment of the ten percent retention monies following acceptance of the individual tasks performed under the contract.

Respectfully submitted,



MELVIN H. JOHNSON
Director of Public Works

December 23, 1986
All Districts

RECOMMENDATION APPROVED:



for: WALTER J. SLIPE
City Manager

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4. SCOPE OF CONTRACT

check on retention requirements call Patty

Contractor labor and materials, good and workman for, and in the m Documents entitle

tools, equipment, apparatus, facilities, necessary to perform and complete in a isfaction of City, all the work called d in strict conformity with the Contract

BASE REPAIR BY COLD PLANING AND/OR RECYCLING AT VARIOUS LOCATIONS PH: RB16

including the following alternative bid items described in the Proposal Form:

NONE

5. CONTRACT AMOUNT AND PAYMENTS

City agrees to pay and Contractor agrees to accept, in full payment for the above work, the sum computed in accordance with the actual amount of each item of work performed or material furnished, at the unit price which Contractor bid for each such item in his Proposal Form, said unit price to be determined as provided in the Standard Specifications.

6. PROGRESS AND FINAL PAYMENTS

Subject to the terms and conditions of the Contract, City shall cause payments to be made upon demand of Contractor as follows:

- (A) On the first of the month, Contractor shall present to the City Engineer a statement showing the amount of labor and materials incorporated in the work during the preceding month; the City Engineer shall inspect the statement and, if the City Engineer approves the statement, shall issue a certificate for ninety percent (90%) of the amount it shall find to be due.
- (B) No inaccuracy or error in said monthly estimates shall operate to release Contractor or Surety from damages arising from such work or from enforcement of each and every provision of the Contract Documents, and City shall have the right subsequently to correct any error made in any estimate for payment.
- (C) Contractor shall not be paid for any defective or improper work.
- (D) City shall pay the remaining ten percent (10%) of the value of the work done under this contract, if unencumbered, thirty-five (35) days after final completion and acceptance of work by City. Acceptance by Contractor of said final payment shall constitute a waiver of all claims against City arising under the Contract Document.

RESOLUTION NO. 86-967

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

Resolution Approving Amendment to Agreement to Contract C086030, Base Repair by Cold Planning or Recycling at Various Locations

Be It Resolved By the Council of City of Sacramento:

Paragraph 6 of the Agreement to Contract C086030, Base Repair by Cold Planning or Recycling at Various Locations, is hereby changed to read as follows:

6. PROGRESS AND FINAL PAYMENTS

Subject to the terms and conditions of the Contract, City cause payments to be made upon demand of Contractor as follows:

- (A) On the first of the month, Contractor shall present to the City Engineer a statement showing the amount of labor and materials incorporated in the work during the preceding month; the City Engineer shall inspect the statement and, if the City Engineer approves the statement, shall issue a certificate for the amount it shall find to be due.
(B) No inaccuracy or error in said monthly estimates shall operate to release Contractor or Surety from damages arising from such work or from enforcement of each and every provision of the Contract Documents, and City shall have the right subsequently to correct any error made in any estimate for payment.
(C) Contractor shall not be paid for any defective or improper work.
(D) Acceptance by Contractor of said final payment shall constitute a waiver of all claims against City arising under the Contract Document.

Mayor

APPROVED BY THE CITY COUNCIL

DEC 23 1986

OFFICE OF THE CITY CLERK

ATTEST:

City Clerk