



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

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WILLIAM T FUJIOKA  
Chief Executive Officer

October 9, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS: DOCKWEILER STATE BEACH  
GENERAL REFURBISHMENT PROJECT  
AUTHORIZE CLOSE-OUT CHANGE ORDER  
SPECS 5343; C.P. 86464  
(FOURTH DISTRICT) (4 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and authorize the Director of Public Works to execute a final close-out change order for \$114,755 to Contract PW-12796 with Stronghold Engineering, Inc., for the Dockweiler State Beach General Refurbishment project.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended action will allow the Department of Public Works (Public Works) to close-out the project and resolve all requests for additional compensation from Stronghold Engineering, Inc., for the Dockweiler State Beach General Refurbishment project.

On August 10, 2004, your Board awarded a construction contract for \$8,127,100 to Stronghold Engineering, Inc., for the Dockweiler State Beach General Refurbishment project.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

The project included replacement of four restroom buildings and the main entry kiosk; refurbishment of the maintenance/lifeguard headquarters facility, a concession building, the recreational vehicle park, and parking lots; and signage and landscaping improvements. Construction was substantially completed on September 19, 2006, and the Department of Beaches and Harbors assumed beneficial occupancy that same week.

As part of the original project scope, the work included drilling cast-in-place concrete caissons to stabilize the existing free-standing, concrete screenwall panels located around the perimeter of the maintenance/lifeguard headquarters facility. During construction, the contractor encountered layers of rubble and debris beneath the footings of some of the existing wall panels that prevented drilling for the caissons. In addition, major damage and structural deficiencies were identified in the existing perimeter screenwall panels that required more extensive repairs than were originally anticipated and called out in the drawings. On January 31, 2006, your Board approved a change order for a \$800,000 not-to-exceed amount to repair and reinforce the perimeter screenwall panels around the perimeter of the maintenance/lifeguard headquarters facility.

After completion of construction, Stronghold Engineering, Inc., submitted a change order request/claim related to the work of August Construction, their drilling subcontractor, for additional costs allegedly incurred during the caisson drilling for stabilizing the screenwall panels around the perimeter of the maintenance/lifeguard headquarters facility. The total amount requested on behalf of the drilling subcontractor was in excess of \$230,000 for delays, demobilization/remobilization costs, and additional drilling equipment costs associated with encountering and addressing the differing and unforeseen site conditions. Public Works reviewed the contractor's claim and determined that the contractor was entitled to at least \$114,755 as fair compensation for the work. The contractor has agreed to accept the \$114,755 offer from the County as full and final payment for the outstanding claim.

Under the County Code, the Director of Public Works has the delegated authority to execute individual change orders in specified amounts up to a maximum, aggregate amount of 25 percent of the original contract amount. Since the award of the construction contract, two change orders totaling \$1,274,733 were authorized by your Board and 55 change orders totaling \$1,995,971 (approximately 25 percent of the original contract amount) have been executed by Public Works under delegated authority. The recommended close-out change order for \$114,755, when combined with the amount of the previously executed change orders, would exceed Public Works' delegated authority.

Therefore, we are requesting authorization from your Board to execute the final close-out change order in the amount of \$114,755 to resolve all requests for additional compensation, funded from existing project funds.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs that we provide Fiscal Responsibility (Goal 4) and Children and Families' Well-Being (Goal 5) as the proposed improvements replaced deteriorated facilities, increased public safety, expanded recreational opportunities, improved the quality of stormwater runoff into Santa Monica Bay, and enhanced public beach access and quality of life.

### **FISCAL IMPACT/FINANCING**

The total project cost, including plans and specifications, plan check, construction, utility connection fees, consultant services, miscellaneous expenditures, and County services, is \$13,852,000. The Project Budget Summary is included in the Attachment.

Sufficient appropriation is available in the Fiscal Year 2007-08 Capital Projects Budget (C.P. 86464) to fund this final close-out payment. The project is funded by \$4,845,000 from the Safe Neighborhood Parks Propositions of 1992 and 1996; \$6,324,000 in State Proposition 40 Per Capita Grant funds under the California Clean Water, Clean Air, and Coastal Protection Bond Act of 2002; and \$2,683,000 from the Vehicle License Fee Gap Loan Special Fund.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Section 20137 of the Public Contract Code allows your Board, with a four-fifths vote, to authorize a change to a construction contract that is less than 10 percent of the original contract amount without having to obtain bids for the work. The recommended change order for \$114,755 represents 1.41 percent of the original contract amount.

### **ENVIRONMENTAL DOCUMENTATION**

On April 13, 2004, your Board approved the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Dockweiler State Beach General Improvement.

**CONTRACTING PROCESS**

On August 10, 2004, your Board awarded a construction contract for \$8,127,100 to Stronghold Engineering, Inc., for the Dockweiler State Beach General Refurbishment project. Since the award of contract, 57 change orders totaling \$3,270,704 have been executed. Approval of the recommended actions would result in a final contract amount of \$11,512,559.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended action will have no impact on current services or projects.

**CONCLUSION**

Please return one adopted copy of this letter to the Chief Executive Office (Capital Projects Division) and one to Public Works (Project Management Division I).

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DLW:DL  
JSE:DJT:HC:z

Attachment

c: Department of Beaches and Harbors  
County Counsel

October 9, 2007

**ATTACHMENT**

**DEPARTMENT OF PUBLIC WORKS: DOCKWEILER STATE BEACH  
GENERAL REFURBISHMENT PROJECT  
AUTHORIZE CLOSE-OUT CHANGE ORDER  
SPECS 5343; C.P. 86464**

**I. PROJECT BUDGET SUMMARY**

<b>Budget Category</b>	<b>Final Project Budget</b>
Plans and Specifications	\$ 900,064
Plan Check	\$ 30,302
Construction	
Construction	\$ 8,127,100
Change Order Contingency	3,385,459
Utility Fees	<u>35,139</u>
Total Construction	\$11,547,698
Equipment	\$ 71,051
Consultant Services	\$ 273,941
Miscellaneous Expenditures	\$ 15,556
County Services	\$ 1,013,388
<b>TOTAL</b>	<b>\$13,852,000</b>