



Information Item

Date: September 12, 2014

To: Mayor and City Council
From: Martin Pastucha, Director of Public Works
Subject: The Hotchkiss and Marine Park Restroom Renovation and the 2400 Ocean Front Walk Beach Public Restroom Replacement Projects

Introduction

This information item provides an update of the Hotchkiss and Marine Park Restroom Renovation and the 2400 Ocean Front Walk Beach Public Restroom Replacement Projects. On August 26, 2014, staff issued a notice of default to G2K Construction, Inc., the contractor for these projects.

Background

The Hotchkiss and Marine Park Restroom Renovation and the 2400 Ocean Front Walk Beach Public Restroom Replacement Projects are designed to bring City restroom facilities into compliance with the Americans with Disabilities Act (ADA). Non-compliant facilities were removed and new, fully compliant restrooms and associated amenities are under construction.

Discussion

On August 26, 2014, staff issued notices of default to G2K Construction, Inc., the contractor for these two projects, due to ongoing substandard performance in quality, labor compliance, and project scheduling.

The notices were delivered on August 27, 2014. Per the construction contract for each of these projects the contractor is entitled to a period of time up to 10 days to cure any defaults. The surety company was noticed that they will need to fulfill the contractual obligations to complete project construction should the contractor fail to cure the cited obligations within 10 days.

The 10 day period expired on September 6, 2014. Staff is in the process of verifying corrections made by the contractor.

Next steps

- Staff will verify corrections made through the end of the contract-mandated period ending September 6, 2014.
- If the corrections are deemed insufficient, staff will work with the surety company to select a contractor from the division's pre-qualified list to complete the required work. As is standard with public works construction projects over \$25,000, contractors must submit a payment bond sufficient to fund completion. Should an additional contractor be required to complete the project, the completion dates will be extended to mid-fall 2014.

Financial Impacts

Financial impacts due to this default will be minimized through cooperation with the surety company. Additionally, staff has withheld sufficient funds from G2K Construction Inc. pending labor compliance and other construction related issues to complete the projects.

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