TO: Mayor and City Council

FROM: Thomas G. Wendorf, P.E., Director of Public Works

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer; Christopher J. Brady; Andrew Martin; Peter Zanoni; Milo D. Nitschke; Chief Albert Ortiz; File

SUBJECT: Expansion of Three Police Substations, 7000 Culebra Road, 711 West Mayfield and 13030 Jones Maltsberger

DATE: September 23, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the negotiation and the execution of a “Tender, Completion and Release Agreement” calling for R.L. Rohde General Contracting, Inc., through Lumbermens Mutual Casualty Company, to complete the Expansion of Three Police Substations, 7000 Culebra Road, 711 West Mayfield and 13030 Jones Maltsberger, servicing Council Districts 2, 3, 4, 5, 6, 7, 9 and 10, authorizes payment to R.L. Rohde General Contracting, Inc. in the amount of $365,638.52 from the previously authorized 1999-2004 General Obligation Public Safety Improvements Bond funded project construction account, and authorizes the City’s acceptance of funds in the amount of $180,734.61 from Lumbermens Mutual Casualty Company.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The project involves the construction of additions to three Police Substations located at 7000 Culebra Road, 711 West Mayfield and 13030 Jones Maltsberger. These expansions include restrooms, women’s locker rooms, new roll-call rooms to accommodate 100 personnel, additional office and storage space and upgrades to the existing restrooms in compliance with the Americans with Disabilities Act (ADA). Each of the existing facilities were 10,110 square feet in size and the additions are 4,150 square feet each.

ACI General Contractors, Inc. (ACI) was the original contractor approved for the project by City Council on October 11, 2001, through Ordinance Number 94682. However, through a letter dated November 4, 2003, ACI was notified in writing that all work on the project should be discontinued and that the surety company had been asked to complete the project. This default letter is included herein as Attachment 2. The surety company, Lumbermens Mutual
Casualty Company, hired a consultant to review the status of the project, and employed counsel for the preparation of an agreement with the City, and for assistance with the selection and negotiation with R.L. Rohde General Contracting, Inc. for the completion of the work. This ordinance will approve the negotiation and execution of a “Tender, Completion and Release Agreement” whereby the R.L. Rohde General Contracting, Inc. will agree to assume all of the obligations and responsibilities, and to complete the work remaining to be performed under the original contract. This agreement will also provide that the City shall pay R.L. Rohde General Contracting, Inc. the lump sum price of $365,638.52 for the completion of the remaining work, and Lumbermens Mutual Casualty Company shall reimburse the City for the amount of $180,734.61, representing the difference between the lump sum owed to R.L. Rohde General Contracting, Inc., less the total amount of $184,903.91 remaining payable by the City, including any outstanding retainage, approved and remaining under the original contract.

While the buildings have been occupied during the time since the original contractor was instructed to stop work, under this agreement, R.L. Rohde General Contracting, Inc. shall complete the remaining work at the three locations to include miscellaneous site work and the completion of deficient or incomplete items (“punch-list” items). This work is anticipated to begin in October of 2004 and to be completed by December of 2004. The letter of proposal from R.L. Rohde General Contracting, Inc. is included herein as Attachment 3.

POLICY ANALYSIS

Approval of this ordinance will be a continuation of Council policy to complete previously approved 1999-2004 General Obligation Public Safety Improvements Bond funded Capital Improvement Projects.

FISCAL IMPACT

This item will have no fiscal impact at this time. Funds in the amount of $365,638.52, are authorized payable to R.L. Rohde General Contracting, Inc. for construction services. Of this total amount of $365,638.52, funds in the amount of $180,734.09 will be received as reimbursement from Lumbermens Mutual Casualty Company. The remaining balance of $184,903.91, which includes any retainage, remains payable by the City under the terms of the original construction contract.

COORDINATION

This request for ordinance has been coordinated with the Office of Management and Budget, the Finance Department, the City Attorney’s Office, and the Police Department.
SUPPLEMENTARY COMMENTS

A Discretionary Contracts Disclosure Form is not required.

ATTACHMENTS

1. Project Location Maps
2. Letter of Default

Thomas G. Wendorf, P.E.
Director of Public Works

Melissa Byrne Vossmer
Assistant City Manager

Approved:

Terry M. Brechtel
City Manager
Attn: Susan Hansen  
AC1 General Contractors, Inc.  
119 Palo Grande  
San Antonio, Texas 78232  
Re: Expansion of Three Police Substations – Contractor Default

Dear Mrs. Hansen:

Please be advised of default by AC1 General Contractors under the contract ("Contract") dated December 3, 2001 between AC1 General Contractors ("the Contractor") and the City of San Antonio for the Project known as Expansion of Three Police Substations, 7000 Culebra Rd., 711 West Mayfield and 13030 Jones Maltsberger. Pursuant to Paragraph A.6 of the Contract, the Contractor has failed to perform its obligations in a timely manner and in accord with Paragraph C of the Contract, "Beginning and Completion of Work, Damages for Delay". Additionally, under Paragraph/section A.8 "Prevailing Wage Rate and General Labor Conditions" of the Contract, Contractor is also in default of those conditions. Please be further advised these may not be the only defaults under the Contract.

Accordingly, you are notified of this default, that the contract is terminated due to AC1 General Contractor’s breach and in accordance with the Contract. Please discontinue work on the Project. It is the City’s intention to notify the surety of the status of the Contract and request the surety take over and expedite completion of the Project.

Sincerely,

Douglas W. Yerkes, Ph.D., P.E.  
City Engineer  
Public Works Department

Cc: David Pletcher, AACon, Inc., Vice President  
William E. Krause, Capital Programs Manager  
Leopoldo P. Cervantes, P. E., Assistant Capital Programs Manager  
Tim Palomera, City Architect  
Dale Lange, Staff Architect  
Harlene S. Kennedy, City Attorney’s Office  
Denise Shaffer, Special Projects Coordinator  
Sherri L. Rice, Fiscal Services Manager
23 August 2004

Mr. Tom R. Barber, Director
Coats Rose
17225 El Camino Real, Suite 240
Houston, Texas 77058

Re: Completion of Three Police Substations, 7000 Culebra Road, 13030 Jones Maltsberger, and 711 West Mayfield San Antonio, Texas

Dear Sir,

Please refer to your file concerning the above-mentioned takeover project.

Additional reference is made to Line Item 1,B. “The quotation is valid for a period of ninety (90) days after the Closing Date of this Request for Quotation.”

Effective immediately there is a 10% cost increase that is to be applied to each of the three proposed projects. The full and final price quotations are as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>April 29, 2004 Quote</th>
<th>August 29, 2004 Quotation</th>
</tr>
</thead>
<tbody>
<tr>
<td>7000 Culebra Road</td>
<td>$112,286.00</td>
<td>$123,514.60</td>
</tr>
<tr>
<td>13030 Jones Maltsberger</td>
<td>$128,491.65</td>
<td>$141,340.82</td>
</tr>
<tr>
<td>711 West Mayfield</td>
<td>$91,621.00</td>
<td>$100,783.10</td>
</tr>
<tr>
<td><strong>Total Quotation:</strong></td>
<td><strong>$332,398.65</strong></td>
<td><strong>$365,638.52</strong></td>
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</tbody>
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We do propose to hold this quotation good until October 29, 2004. However, we do reserve the right to additional an cost increase if by the date specified our company has not received a notice to proceed.

Thank you in advance for your handling of this matter.

R.L. Rohde

President

4180 Stuart Rd. – Adkins, Texas 78101 – Phone 210-649-3130 - Fax 210-649-3110