

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: LORI URBANEK, DEPUTY DIRECTOR
ENGINEERING RESOURCES

SUBJECT: SETTLEMENT AGREEMENT–CONTRACT C02081 POST CT
AND SIMPSON PL SEWER REPLACEMENTS

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the City Council, the Water Department and Transportation and Public Works Department that the Board of Public Utilities, by motion, approve the settlement agreement with TerraCon Constructors, Inc., Healdsburg, California, to resolve a claim associated with Contract No. C02081, Post Ct and Simpson Pl Sewer Replacements, in a total amount not to exceed \$65,179.71 and authorize the Chair to sign the agreement.

EXECUTIVE SUMMARY

This motion will approve the settlement agreement and authorize payment to resolve the claim associated with a construction contract to replace sewer main and sewer laterals in Post Court and Simpson Place.

BACKGROUND

In 2017 the City contracted with TerraCon Constructors, Inc. (TerraCon) to replace sewer main and sewer laterals in Post Court and Simpson Place. The purpose of the project was to eliminate dips in the existing asbestos cement pipe and replace it with a larger diameter pipe in the same alignment. During the work, rock and pea gravel backfill were encountered and required additional work and material to widen the trench and break up and remove the gravel.

Construction began in October of 2017 and was completed in March of 2018. On June 19, 2018, City staff met with TerraCon representatives to resolve amounts owing under the contract on a punch list of change orders and extra work. An agreement was reached that the sum of \$65,179.71 remained owing on the contract. This agreement was conveyed again during mediation with TerraCon on June 2, 2020.

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On June 18, 2020 Terracon filed a Claim with the City. Since a formal claim was filed, payment of the agreed upon amount required a structured settlement agreement and both a recommendation by the Board of Public Utilities and approval by the City Council.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On August 17, 2017, the Board, by motion, approved the project and awarded Construction Contract No. C02081 in the amount of \$451,483.00 to the lowest responsive bidder, TerraCon Constructors, Inc., of Healdsburg, California, for Post Court and Simpson Place Sewer Replacements, and approved a 15% contingency, thus authorizing the total contract amount of \$519,205.45.

On December 1, 2020, the City Council, acting in closed session on an anticipated litigation matter, approved settlement of the claim, as recommended by the Board of Public Utilities, in the amount of \$65,179.71, and directed Counsel and staff to take the further steps necessary to implement the settlement.

ANALYSIS

Approval of this agreement will authorize payment to resolve all outstanding claims associated with Contract No. C02081 Post Ct and Simpson PI Sewer Replacements.

FISCAL IMPACT

Sufficient funds were appropriated in prior fiscal years and are available to resolve this claim in the Water Department's approved budget.

ENVIRONMENTAL IMPACT

This action is statutorily exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15282 for pipeline replacement, as well as being categorically exempt under CEQA Guideline section 15301, Existing Facilities.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

ATTACHMENTS

Attachment 1 – Settlement Agreement

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CONTACT

Lori Urbanek, lurbanek@srcity.org, (707) 543-3854