



Agenda Report

Fullerton City Council

MEETING DATE: JULY 6, 2021

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: STEVE DANLEY, ACTING CITY MANAGER

PREPARED BY: MEG McWADE, PUBLIC WORKS DIRECTOR
DAVID GRANTHAM, PRINCIPAL CIVIL ENGINEER

SUBJECT: MISCELLANEOUS STORM DRAIN IMPROVEMENTS
PROJECT FY 2020-21 - GRFCO, INC. DEBARMENT

SUMMARY

Authorize payment for work performed on City projects prior to debarment of contractor GRFCO, Inc.

RECOMMENDATION

1. Authorize \$70,131 payment for work completed prior to May 21, 2021 on Miscellaneous Storm Drain Improvements Project (City CIP Project 52015).
2. Authorize \$3,691 retention payment for work completed prior to May 21, 2021 on Miscellaneous Storm Drain Improvements Project (City CIP Project 52015), thirty-days after filing of project Notice of Completion.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

FISCAL IMPACT

Project budgets contain sufficient funds.

DISCUSSION

On December 15, 2020, City Council awarded a \$88,400 construction contract to GRFCO, Inc. for the Miscellaneous Storm Drain Improvements FY 2020-21 Project. This project replaced or repaired deteriorated or damaged storm drain facilities intended to convey storm water in rain events. This included replacement of a corrugated metal pipe

and repair of damaged catch basins. The catch basin repair requires installation of Connector Pipe Screens (CPS). The CPS units capture trash and debris prior to entering the storm drain pipe system.

GRFCO, Inc. completed construction field work except for installation of the CPS units on April 9, 2021. GRFCO, Inc. has not yet scheduled installation of the CPS units.

On May 27, 2021, the City received a Notice of Debarred Contractor from the State of California, Department of Industrial Relations (Attachment 1) declaring GRFCO, Inc. ineligible to perform work on any public works project as of May 21, 2021 for a period of three years. After conferring with the City Attorney and a representative from the Department of Industrial Relations, staff issued a cease work order to GRFCO, Inc. on June 3, 2021.

Based on this information, the City has an active contract with a now debarred contractor. After discussions with the City Attorney, staff recommends City Council authorize payment for work completed prior to May 21, 2021. Staff calculated the payment and associated retention payment (typically due thirty-days after filing the project Notice of Completion) as follows. See Attachment 2 for details.

Project Cost per Scope of Work Field Quantities	\$82,350
Deduction for Work not Complete	(\$7,778)
Deduction for Staff and Attorney Costs	(\$750)
<i>Proposed Payment for Work Complete prior to May 21</i>	<i>\$73,822</i>
Standard 5% Retention Withheld on Payments Due	(\$3,691)
PROPOSED INVOICE PAYMENT	\$70,131
PROPOSED RETENTION PAYMENT	\$3,691

As shown in the previous table, the City will reduce the payment amount by \$7,778 as GRFCO, Inc. did not complete the installation of the CPS units prior to debarment. Staff will handle this work in the future through another project. The City will also further reduce the contract payment by \$750 for staff and attorney costs related to handling the debarment issue.

Attachments:

- Attachment 1 – Notice of Debarment
- Attachment 2 – Invoice Calculation