



## MEMORANDUM

**TO:** HONORABLE MAYOR & CITY COUNCIL MEMBERS  
**FROM:** MICHAEL THRONE, PE, DIRECTOR OF PUBLIC WORKS *MT*  
**DATE:** NOVEMBER 18, 2014  
**SUBJECT:** NOTICE OF COMPLETION FOR SAN RAMON CANYON  
STORM DRAIN SYSTEM PROJECT (SUPPORTS 2014 CITY  
COUNCIL GOAL, PUBLIC INFRASTRUCTURE)  
**REVIEWED:** CAROLYNN PETRU, ACTING CITY MANAGER *CP*

Staff Coordinator: Andy Winje, Associate Engineer *AW*

### RECOMMENDATIONS:

1. Accept the project as complete.
2. Authorize the City Clerk to file a Notice of Completion for the project with the County Recorder; and if no claims are filed within 35 days after recordation, and upon the contractor posting an acceptable warranty bond, send a notice to the surety company to exonerate the Performance Bond.
3. Authorize the Director of Public Works to direct the escrow agent at Torrey Pines Bank to release the entire construction retention escrow balance to L.H. Woods & Sons, Inc. and close the escrow account, 35 days after recordation of the Notice of Completion by the County Recorders contingent upon no claims being filed on the project, and the contractor posting an acceptable warranty bond with the City.

### BACKGROUND AND DISCUSSION

In March 2010, the City Council authorized a Preliminary Study Report (PSR) to develop alternatives to mitigate the erosion and flooding that were occurring in San Ramon Canyon during

moderate and heavy rains. The PSR was presented to Council in January 2011, followed by a public workshop presentation in March 2011. On May 17, 2011 City Council awarded a design contract for the preferred alternative. In December of 2011 City Council adopted the necessary environmental documents based on that design. On January 27, 2012, the State Department of Water Resources notified the City that it was the recipient of the Stormwater Flood Management grant in the amount of \$9,464,727 for the San Ramon Canyon Stormwater Flood Reduction Project. The grant is a 50% reimbursement program and this amount represents the maximum reimbursement available from the State. On March 5, 2013 City Council approved the design and awarded a \$15,140,000 construction contract to LH Woods & Sons, Inc. and a \$1,500,000 construction contingency.

### Project Description.

The San Ramon Canyon Storm Drain System project installed about 4,000 linear feet of 54-inch welded steel pipe to intercept storm flows in San Ramon Canyon upstream of the Tarapaca landslide and deliver the stormwater to the beach. The pipeline is anchored by a large reinforced concrete inlet structure in the canyon and a sculpted shotcrete outlet structure on the beach. The pipe was constructed through direct bury and tunneling methods. In addition the project improved road drainage along Palos Verdes Drive East (PVDE) switchbacks, improved the road structure and surface along PVDE from Palos Verdes Drive South (PVDS) to Vista Del Mar. Improvements were made to the San Ramon canyon streambed and riparian habitat as well as to trails in the Shoreline Preserve area south of PVDS at the City border with Los Angeles.

There are other projects (repair to a portion of the lining of McCarrell Canyon pipe & flow monitoring equipment at the San Ramon pipeline) associated with the grant that are still underway. In addition, costs for preliminary engineering, environmental permitting and mitigation work, final design and a small project to relocate a City sewer line adjacent to the San Ramon Canyon were also applied against the grant for reimbursement.

### L.H. Woods Contract

The contract value awarded to L.H. Woods & Sons, Inc. was \$15,140,000. Over the course of the project ten change orders were authorized by the project management team. Some of the change orders resulted in significant savings to the City as a result of value engineering after the award of the contract. Other credits to the City were achieved through chargebacks to the Contractor due to his work extending beyond the authorized number of days awarded to get the project completed. The City used these savings to authorize additional and associated work identified in the CIP. This extra work was cleared with the State to make sure it would be eligible for grant reimbursement. The extra work included storm drain improvements along the switchbacks, roadway rehabilitation of PVDE from PVDS to Vista Del Mar, and enhancements to the trail connections in San Ramon Canyon and the Shoreline Preserve. The net effect of these change orders was to increase the contract value by \$309,194.30 (2%) and to reduce the CIP backlog of projects.

The table below summarizes the expenditure of funds to L.H. Woods & Sons, Inc. for the project.

Contract Award on 3/5/2013	\$15,140,000
<u>Contract Contingency authorized</u>	<u>\$ 1,500,000</u>
Total Construction Authorization	\$16,640,000
<u>Total Construction Expense</u>	<u>\$15,449,194.30</u>
Unused Authorization - dollars	\$1,190,807.70
Unused Authorization - % of total authorization	7.2%

**CONCLUSION**

Construction of the San Ramon Canyon Storm Drain System project is considered a high priority project for the public's benefit as reflected in the Council-adopted Capital Improvement Program (CIP). L.H Woods & Sons, Inc. has completed work in accordance with the plans and specifications; therefore, the project should be accepted as complete by the City Council and a Notice of Completion should be filed with the County by the City.

**FISCAL IMPACT**

The construction cost of this project is within the amount authorized by City Council. Authorized funds that were not used will be programmed toward other projects in the Water Quality Flood Protection program. Because the overall project costs are below the total amount authorized by the grant, the City is able to complete additional needed projects which are eligible for grant reimbursement. These projects are stormwater related and funds for the City's matching share are available in the Water Quality Flood Protection fund.

Attachment:

Notice of Completion for San Ramon Canyon Storm Drain System Project

RECORDING REQUESTED BY:

City of Rancho Palos Verdes

WHEN RECORDED MAIL TO:

City Clerk

Name City of Rancho Palos Verdes

Street 30940 Hawthorne Blvd.

Address Rancho Palos Verdes,

City CA

State 90275

Zip

L.

Space above this line for recorder's use

WOLCOTTS FORMS, INC.

SYNDICATED

# NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for complete requirements.)  
Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described.
2. The full name of the owner is City of Rancho Palos Verdes
3. The full address of the owner is 30940 Hawthorne Blvd., Rancho Palos Verdes, CA 90275
4. The nature of the interest or estate of the owner is: In fee.

(If other than Fee, strike "In fee" and insert, for example, "purchaser under contract of purchase," or "Lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES	ADDRESSES
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6. The full names and full addresses of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

NAMES	ADDRESSES
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7. A work of improvement on the property hereinafter described was completed on November 18, 2014. The work done was: San Ramon Canyon Storm Drain System Project

8. The names of the contractor, if any, for such work of improvement was L.H. Woods & Sons, Inc.  
3/5/13

(If no contractor for work of improvement as a whole, insert "None")

(Date of Contract)

9. The property on which said work of improvement was completed is in the City of Rancho Palos Verdes  
County of Los Angeles, State of CA, and is described as follows: San Ramon Preserve, Shoreline Park Preserve

10. The street address of said property is None

(If no street address has been officially assigned, insert "none".)

Dated \_\_\_\_\_

(Signature of Owner or corporate officer of Owner named in paragraph 2, or his agent)

City of Rancho Palos Verdes

## VERIFICATION

I, the undersigned, say: I am the City Clerk, the Declarant of the foregoing Notice of Completion,  
(President of, Manager of, Partner of, Owner of, etc.)  
I have read said Notice of Completion and know the contents thereof; the same is true to my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, 20\_\_ at City of Rancho Palos Verdes, CA

(Personal signature of the individual who is swearing that the contents of the Notice of Completion are true)

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