



CITY COUNCIL STAFF REPORT

DATE: July 7, 2010

Consent Agenda

SUBJECT: ANIMAL CARE FACILITY UTILITY PAYMENTS AND CONTRACTOR INCENTIVES

FROM: David H. Ready, City Manager

BY: City Manager

SUMMARY

The proposed action would approve payments to the utility companies for the Animal Care Facility project, and would offer incentives to the contractor in exchange for cost control efforts on behalf of the City.

RECOMMENDATION:

1. Authorize the City Manager to approve payments to various public utilities for the Animal Care Facility in an aggregate amount up to \$110,000.
2. Approve a contractor incentive for 50% of any savings on Special Testing and Inspection for the Animal Care Facility; savings shall be determined based on a budget amount of \$110,000 for Special Testing & Inspection.
3. Approve a contractor incentive for early completion; \$225 per day that Substantial Completion occurs prior to August 6, 2011.
4. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The Palm Springs Animal Care Facility began construction on July 5, 2010. As part of the project the City must apply to various public utilities to provide service to the new facility and in all cases fees are due the utilities for this work. It is estimated that a total of \$110,000 in utility fees will be due. These costs were included in the overall budget estimate that was previously provided for this project. The proposed action would allow the City Manager to approve the payment of these fees up to an aggregate total of \$110,000.

The project requires the use of a Special Testing and Inspection company during the construction. We have budgeted \$110,000 for their services. To control their costs it is very important that the general contractor is prudent in their use of this service. To provide an incentive to the General Contractor it is proposed that they be offered a rebate of 50% of any savings at the end of the project in the Special Testing & Inspection budget line item.

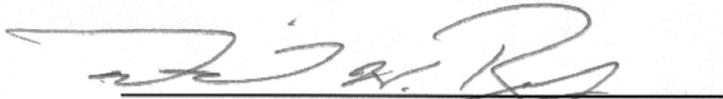
The project includes a penalty for late completion; \$500 per day liquidated damages. It is in the City's best interest to have the project completed ahead of time because it will save the City in costs to have the Owner's Representative on the project. It is proposed that an incentive be offered to the contractor that provides for a payment of \$225 per day (approximately half of the savings the City realizes by early completion) for every day of early completion prior to August 6, 2011.

FISCAL IMPACT:

The cost of each of the items listed above have been accounted for in the overall project budget; account 8191-65213.



Allen F. Smoot, Owner's Representative



David H. Ready, City Manager