



Default of the Contract for the Construction of the Brockton Avenue Water Main Replacement Project

Public Utilities Department

Board of Public Utilities
November 13, 2023

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PROJECT LOCATION MAP



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BACKGROUND

1. Brockton Avenue Water Main Replacement Project
 - a. 3,300 feet of 12-inch Ductile Iron Pipe
 - b. 600 feet of 8-inch Ductile Iron Pipe
 - c. 48 Water Services
 - d. 3 Fire Hydrants
 - e. Trench Restoration
 - f. Related Incidental Work
2. RPU Board Awarded a Construction Contract
 - a. August 23, 2021
 - b. G. Hurtado Construction, Inc.
 - c. \$1,723,260
3. Contract Executed on October 19, 2021
4. Notice to Proceed Issued on October 27, 2021
 - a. Assigned Construction Start Date as November 8, 2021
 - b. 210 Calendar Days
 - c. Construction Completion Date June 6, 2022



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BACKGROUND (CONT.)

5. Hurtado Struggled to Obtain Materials and Perform the Work
6. COVID-19
7. Time Extensions Were Provided
8. Hurtado was Ultimately Unable to Complete the Work
 - a. Informed RPU of their desire to terminate the contract effective June 29, 2023
 - b. 388 Calendar Days beyond the original completion date



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DISCUSSION

1. Payment and Performance Bonds – Surety (United States Fire Insurance Company)
2. Awarding Entity must find Hurtado in Default of the Contract and Issue a Written Notice of Termination
3. RPU to utilize Paving Panel for final paving
4. Discuss Strategies With Surety once Letter of Termination for Default is Issued



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STRATEGIC PLAN ALIGNMENT



Priority No. 6 - Infrastructure, Mobility and Connectivity

Goal No. 6.2 – Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Board of Public Utilities:

1. Find G. Hurtado Construction, Inc. in default of the Contract for the Construction of the Brockton Avenue Water Main Replacement Project – Bid No. RPU-7816, as required by the Contract documents;
2. Authorize the City Manager, or designee, to terminate G. Hurtado Construction, Inc's. right to perform under the Contract by issuing a written notice of termination for default to the Contractor and its Surety, United States Fire Insurance Company; and
3. Authorize City Manager, or designee, to execute any agreements or documents necessary to carry out the contract termination and effectuate the completion of the project, including documents and agreements needed to carry out the Surety's obligations under the contract and performance bond.



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