



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 11, 2008

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Delegation Of Authority For Accepting Construction Contract Notices Of Completion

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Public Works Director, or his or her Designee, to Act on Council's Behalf in Accepting the Final Public Works Construction Contract Amount, with Approved Changes, and Filing all Notices of Completion (NOC) with the County Clerk Recorder, Including all Current Public Works Construction Contracts Pending Acceptance by the City.

BACKGROUND:

The filing of a Notice of Completion (NOC) begins the legal process of closing out claims associated with a Public Works construction project. The current City process recognizes the City Council as the authority to accept a NOC on behalf of the City. After accepting the project's NOC, the document is sent to the County Clerk Recorder for official filing, beginning a 30-day period for submitting outstanding claims against the general contractor. California Civil Code Section 3086 provides that subcontractors and suppliers of the general contractor shall have 30 days following the filing of an NOC acceptance to tender a "Stop Notice" to the City for unresolved payments with the general contractor. The City currently retains ten percent of the value of its construction contracts to ensure claims can be resolved in a timely manner. Upon expiration of the 30-day period, the City is no longer liable for outstanding payments between the general contractor and the subcontractors and suppliers. At that time, the City Finance Department will release the remaining ten percent of the contract value to the general contractor.

DISCUSSION:

In consideration of Council's workload and City staff's review time for NOC Council Agenda Reports, staff proposes that Council consider delegating its authority to accept NOC's to the Public Works Director or his or her designee. The Public Works Director would then accept the NOC on behalf of the City and transmit the necessary documents to the City Clerk's Office, the Finance Department, and the County Clerk Recorder's Office for filing, consistent with the current process.

Council will continue to retain all authority to award initial construction contracts, including the “not to be exceeded” amount in the contract for extra work. Council currently authorizes the Public Works Director to execute and approve such expenditures for extra work. Consistent with current practices, any increase in construction costs not authorized by Council would require additional Council authorization.

Attached is a list of outstanding construction contracts that have been awarded by Council and are pending the filing of an NOC when the work is complete. Staff’s recommendation includes permission for the Public Works Director to file NOC’s for these projects when they are complete, in addition to all future projects as authorized by the Resolution, if adopted.

As part of the quarterly CIP presentation to Council on completed projects, staff will include a summary of all final project costs to keep Council informed on use of contingency for City contracts.

- ATTACHMENT:** List of Council Approved Capital Improvement Projects Currently in Construction
- PREPARED BY:** Pat Kelly, Assistant Public Works Director/City Engineer/JH/mj
- SUBMITTED BY:** Christine F. Andersen, Public Works Director
- APPROVED BY:** City Administrator’s Office

List of Council Approved Capital Improvement Projects Currently in Construction

- ◆ Taxi Way B Realignment And Terminal Apron Project
- ◆ Santa Barbara Airport Consolidated Rental Car Project
- ◆ Mission Street at Highway 101 Bikeway
- ◆ Pavement Preparation Zone 2
- ◆ Slurry Seal Zone 2
- ◆ Fire Station No.1 Seismic Renovation Project
- ◆ Santa Barbara Railroad Station Historic Railcar
- ◆ Small Diameter Sewer Rehabilitation Project, Fiscal Year 2008
- ◆ Plaza Vera Cruz Park Improvement Project
- ◆ Bohnett Park Expansion Project
- ◆ Laguna Channel Storm Water Pump Station Engine Replacement
- ◆ Pershing Park Multipurpose Path Extension Project