DATE: JUNE 10, 2008
FROM: COMMUNITY DEVELOPMENT DEPARTMENT
SUBJECT: DEMOLITION AGREEMENTS D-07-01 AND D-07-02
ATTACHMENT (Y/N): YES ITEM # 02

RECOMMENDATION:

That the Governing Board, by motion; (i) terminate that certain Agreement for Public Work D-07-01 by and between the Anaheim Redevelopment Agency and Specialized Environmental, Inc.; (ii) award that certain Agreement for Public Work D-07-02 to the next lowest responsible bidder, Three D Service Company, Inc.; and (iii) authorize the Executive Director, or her designee, to execute and administer the Agreements on behalf of the Agency.

DISCUSSION:

On June 5, 2007 the Redevelopment Agency awarded an Agreement for Public Work to Specialized Environmental, Inc. (Contractor) in the amount of $824,000 for structural demolition work at the Westgate Center Site and the Ross Park Expansion Site. Westgate Site demolition was completed at a cost of approximately $253,000. The Contractor began demolition activities at the Ross Park Expansion Site in February 2008 and has completed a portion of the required work. However, the demolition work has been halted several times due to the Contractor’s failure to comply with explicit work instructions issued under written Notices to Proceed. This failure to comply with specific requirements has severely impacted the demolition project. Therefore, it is recommended that the Agency terminate Agreement D-07-01 for Cause.

In order to keep the Ross Park Expansion project moving forward, staff recommends that the Agency award a new Agreement for Public Work to the next lowest bidder, Three D Service Company, Inc. The estimated cost to complete the demolition work at the Ross Park Expansion Site is $500,000.

IMPACT ON BUDGET:

Sufficient funds are available; there is no impact on the General Fund.

Respectfully submitted: Concur:

Clare Fletcher Elisa Stipkovich
Real Estate Services Manager Executive Director

Attachments:
Agreement for Public Work D-07-01
Agreement for Public Work D-07-02