



May 22, 2012

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California**RECOMMENDATION:**

Authorize the City Manager to increase Contract No. 32495 with Moalej Builders, Inc., by \$377,000, for a total amount not to exceed \$1,195,020, for civil improvements at the Long Beach Gas and Oil Department main facility located at 2400 East Spring Street. (District 5)

**DISCUSSION**

On January 17, 2012, City Council adopted Bid Specifications No. G-285 authorizing execution of a contract with Moalej Builders, Inc. (Moalej), to furnish and deliver labor, equipment, and tools required in connection with the civil improvement projects at the Long Beach Gas and Oil Department (LBGO) main facility. These efforts are part of series of improvements to accommodate the consolidation of various City operations to the LBGO base facility yard. Moalej is currently constructing new parking lots in areas exposed during demolition of older structures. They will also address storm water runoff by adding a bioswale treatment, improve traffic flow throughout the yard, and create required ADA access. The total proposed construction area is approximately three acres.

Prior to adoption of the Bid Specifications, LBGO staff retained soil and engineering consultants to undertake geotechnical site investigations and prepare reports with reference to soil mechanics and foundation engineering for the proposed contract work. The resultant site investigations included boring analysis to determine the rock and soil-aggregate mixtures, subsoil percolation rate analysis, and subsurface R-value sampling for determination of compaction specifications.

Since commencement of construction, Moalej has exposed unforeseen soil conditions during excavation. Further geotechnical investigations identified large areas of soil consisting of wet, clay-like material, and extensive saturated and muddy soil. To achieve specified soil compaction (3,000 psi), it is necessary to selectively grade for expansive clay soils, excavate oily soil sediment, and chemically modify saturated soils over a broad area of the project (approximately 82,720 square feet). Due to the extensive area of the saturated soils, the engineering reports noted that chemical modification involving lime, cement, and fly ash

treatments is a cost-effective option to deep soil excavation. Preliminary survey of the adjacent forthcoming Phase II construction area suggests probable similarities in the subsurface soil conditions. The treatment of these conditions requires an increase to the contract amount.

This matter was reviewed by Deputy City Attorney Richard Anthony on April 30, 2012, and by Budget Management Officer Victoria Bell on May 7, 2012.

#### TIMING CONSIDERATIONS

City Council action is requested on May 22, 2012 in order to complete the necessary work and to avoid any further impact to yard operations and parking congestion related to the consolidation of various City operations at the LBGO main facility.

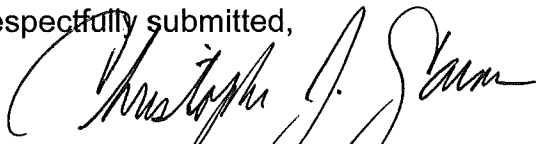
#### FISCAL IMPACT

The approved contract amount is \$818,020. The recommended soil condition treatments necessary to achieve required specifications require an additional cost of \$250,000. While unknown at this time, the geotechnical engineer anticipates similar conditions will exist in Phase II requiring additional soil treatment. LBGO is requesting an additional contract contingency of \$127,000 to cover potential change orders related to Phase II construction. The total request is not to exceed \$377,000 and is included in the capital improvement budget in the Gas Enterprise Fund (EF 301) in the Long Beach Gas and Oil Department. The total contract amount for completion of the project would not exceed \$1,195,020. There is no impact to the General Fund. There is no local job impact associated with this recommendation.

#### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:CAB:LAF

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER