

# Staff Summary Report



Council Meeting Date: 5/28/2009

Agenda Item Number: \_\_\_\_\_

**SUBJECT:** Request approval of job order no. 2 with Pierson Construction Corporation and a project contingency for the water line upgrade and replacement at Orange Street and Lemon Street.

**DOCUMENT NAME:** 20090528PWTG05 WATERMAIN UPGRADES (0810-04) PROJECT NO. 3209321

**COMMENTS:** Total amount of job order no. 2 is \$930,387.07 and the project contingency is \$45,000.

**PREPARED BY:** Theresa Galindo, Acting Engineering Contracts Administrator (x8518)

**REVIEWED BY:** Don Hawkes, Water Utilities Manager (x2660)  
Andy Goh, Deputy PW Manager/City Engineer (x8896)

**LEGAL REVIEW BY:** Judi Morgan, Assistant City Attorney (x8227)

**DEPARTMENT REVIEW BY:** Glenn Kephart, Public Works Manager (x8205)

**FISCAL NOTE:** Sufficient funds are available in Capital Improvement Fund No. 3209321.

**RECOMMENDATION:** Approve job order no. 2 with Pierson Construction Corporation in the amount of \$930,387.07, through existing job order contract no. C2008-252, and approve a project contingency of \$45,000.

**ADDITIONAL INFO:** The scope of work for this job order consists of construction of approximately 3,500 feet of 8-inch water line along Orange Street and Lemon Street between Rural Road and Dorsey Lane. The existing 6-inch, cast iron water line will be replaced with an 8-inch water line to increase water supply/fire flow to this area to accommodate projected growth in this multi-family area. New fire hydrants, gate valves, on-site fire suppression connections and service meters will be included in this work.

The project contingency has been established at \$45,000, which is approximately five percent (5%) of the job order amount, to cover possible unforeseen conditions during construction.

Staff has reviewed the proposal from Pierson Construction Corporation and found it to be in order. Pierson Construction Corporation is one of three contractors previously selected through a qualifications based process consistent with A.R.S. § 34-601 through 611 for job order general construction services.

CITY OF TEMPE, ARIZONA  
PUBLIC WORKS DEPARTMENT  
DIVISION OF ENGINEERING

A diagonal stamp with the word "COPY" in a bold, sans-serif font. To the left of the word is a small square icon containing a lowercase letter 'c'.

JOB ORDER NO. 2 TO PIERSON CONSTRUCTION CORPORATION  
THROUGH EXISTING CONTRACT NO. C2008-252

**WATER LINE UPGRADES/REPLACEMENT:  
ORANGE AND LEMON STREETS**

**PROJECT NO. 3209321**

This **JOB ORDER NO. 2** is entered into on this 28<sup>th</sup> day of May, 2009, by and between the **City of Tempe**, an Arizona municipal corporation (“City”) and **Pierson Construction Corporation**, an Arizona corporation (“JOC”), through the existing Contract made and entered into by and between the parties on December 11, 2008 (Contract No. C2008-252).

**SECTION 1 – JOB ORDER PRICE AND WORK LOCATION:** JOC shall furnish any and all plant, materials, labor, construction equipment, services and transportation (all applicable taxes included) required for performing all work for the construction of Water Line Upgrades/Replacement: Orange and Lemon Streets (Project No. 3209321) (“Project”), for the sum of Nine Hundred Thirty Thousand Three Hundred Eighty Seven and 07/100 Dollars (\$930,387.07), as detailed in the Proposal (Exhibit “A”), and to completely and totally construct the same and install the materials therein for the Project, in a good and workmanlike and substantial manner and to the satisfaction of City or its properly authorized agents and strictly pursuant to and in conformity with the Specifications and Plans for the Project and other documents that may be requested by City through its Engineer or other properly authorized agents, as provided herein. The full street or physical address of the construction work location (“Work Location”) is 1011 E. Orange Street and 1101 E. Lemon Street, Tempe, Arizona. JOC shall list the Work Location in any subcontract related to this job order at any level and each subcontractor shall likewise include the Work Location in any of its subcontracts.

**SECTION 2 – REQUIRED SUBMITTALS:** JOC shall submit the completed forms

referenced in the Forms Appendix (Exhibit "B") to City for approval prior to receipt of a Notice to Proceed issued by City for the Project.

**SECTION 3 – AMENDMENT:** City of Tempe Contract No. C2008-252, the terms and conditions contained therein and all exhibits attached to the Contract and to this Job Order No. 2, are by reference incorporated into this Job Order No. 2. All provisions of the underlying Contract where not inconsistent with this Job Order No. 2 shall remain binding on the parties.

**SECTION 4 – CONTRACT TERM:** Work shall start as soon as practicable, and in no case later than seven (7) calendar days after the Notice to Proceed is issued by City, and shall be completed within one hundred twenty (120) calendar days thereafter.

**SECTION 5 – EMPLOYMENT LAWS:** JOC agrees and covenants that it will comply with any and all applicable safety and employment laws, rules and regulations, including but not limited to, the Fair Labor Standards Act, the Walsh-Healy Act, and the Arizona Fair and Legal Employment Act, and all amendments thereto, along with all attendant laws, rules and regulations. JOC acknowledges that a breach of this warranty is a material breach of this Contract and JOC is subject to penalties for violation(s) of this provision, including termination of this Contract. City retains the right to inspect the documents of any and all contractors, subcontractors and sub-subcontractors performing work and/or services relating to the Contract to ensure compliance with this warranty. Any and all costs associated with City inspection are the sole responsibility of JOC. JOC hereby agrees to indemnify, defend and hold City harmless for, from and against all losses and liabilities arising from any and all violations thereof.

JOC further agrees to include the provisions of this Section in any and all subcontracts hereunder. Any violation of such provisions shall constitute a material breach of this Contract.

[SIGNATURE PAGE TO FOLLOW]

Water Line Upgrades/Replacement: Orange and Lemon Streets  
Project No. 3209321

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

CITY OF TEMPE, ARIZONA

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Public Works Manager

ATTEST:

Recommended by:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Deputy PW Manager/City Engineer  
*Ar*

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**JOC warrants that the person who is signing this Job Order on behalf of the JOC is authorized to do so and to execute all other documents necessary to carry out the terms of this Job Order.**

PIERSON CONSTRUCTION CORPORATION

By: \_\_\_\_\_  
Name

Its: \_\_\_\_\_  
Title

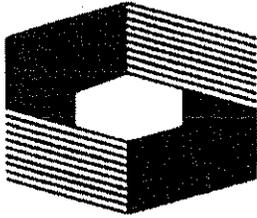
\_\_\_\_\_  
Federal I.D. No./Social Security No.

Certified to be a true and exact copy.

\_\_\_\_\_  
Karen M. Fillmore  
Records Specialist

GMP 4/21/09

EXHIBIT A



**Pierson Construction Corporation**

222 S. 52nd St.  
 Tempe, AZ 85281  
 From: Russell E. Moore P.E.  
 Phone: 480 966 4424  
 Fax: 480 894 1086

Quote To: City of Tempe  
Attention: Phillip Brown  
Address: 50 E. 5th Street  
City: Tempe  
State & Zip: AZ 85281  
Phone: 480 350 8200  
Fax: 480 350 8591

Job Name: Waterline Upgrade Orange Lemon  
Owner: City of Tempe  
Address: 31 East 5th Street  
City: Tempe  
State & Zip: AZ 85281  
Date: 4/21/09

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	CONNECT TO EXISTING	6.00	EA	1,921.08	11,526.48
20	CUT IN TEE	1.00	EA	4,629.24	4,629.24
30	CUT IN CROSS	1.00	EA	5,685.99	5,685.99
50	8" DIP CL 52	3,527.00	LF	61.49	216,875.23
60	6" DIP CL 52	428.00	LF	92.77	39,705.56
70	4" DIP CL 52	18.00	LF	95.69	1,722.42
80	CONNECT TO EX SERVICE 2" +	1.00	EA	2,468.81	2,468.81
90	CONNECT TO EX COPPER SERVICE 2"	17.00	EA	1,055.74	17,947.58
92	CONNECT TO EX COPPER SERVICE 1 1/2"	10.00	EA	898.44	8,984.40
94	CONNECT TO EX COPPER SERVICE 1"	3.00	EA	799.71	2,399.13
96	CONNECT TO EX COPPER SERVICE 3/4"	1.00	EA	651.03	651.03
100	CUT & PLUG	14.00	EA	270.78	3,790.92
110	NEW HYDRANT	20.00	EA	1,999.78	39,995.60
130	REMOVE SALVAGE HYDRANT	7.00	EA	489.78	3,428.46
140	6" GATE VALVE	22.00	EA	938.75	20,652.50
150	8" GATE VALVES	47.00	EA	1,208.50	56,799.50
160	12" GATE VALVES	4.00	EA	1,921.25	7,685.00
170	MAG 404 ENCASEMENT	14.00	EA	621.02	8,694.28
180	REMOVE ASPHALT 4 1/2"	1,520.00	SY	7.06	10,731.20
190	4 1/2" AC BASE COURSE TRANSVERSE	250.00	SY	77.54	19,385.00
200	4 1/2" AC BASE ON 12" ABC PARALLEL	1,270.00	SY	51.86	65,862.20
250	REMOVE REPLACE VALLEY GUTTER	248.00	SF	10.82	2,683.36
260	TRAFFIC CONTROL	60.00	DA	250.00	15,000.00
270	REMOVE VALVE BOX	8.00	EA	110.51	884.08
280	SURVEY	1.00	LS	11,000.00	11,000.00
290	REMOVE REPLACE SURVEY MONUMENT	2.00	EA	300.00	600.00
295	TRENCH TEMPORARY COLD MIX	4,596.00	LF	6.50	29,874.00
300	<b>SUBTOTAL BASE</b>				<b>\$609,661.97</b>
310	GENERAL CONDITIONS	1.00	LS	64,590.40	64,590.40
320	PAYMENT AND PERFORMANCE BOND 1.5%	1.00	LS	12,020.90	12,020.90

*RM*

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
330	GENERAL LIABILITY NSURANCE 1.2%	1.00	LS	9,616.72	9,616.72
340	TAXES 5.265%	1.00	LS	42,193.36	42,193.36
350	CONSTRUCTION FEE 7.9%	1.00	LS	63,310.08	63,310.08
360	<b>TOTAL</b>				<b>\$801,393.43</b>
370	COMMUNITY RELATIONS ALLOWANCE	1.00	LS	15,000.00	15,000.00
380	POWER BROOM ALLOWANCE	80.00	HR	80.00	6,400.00
390	ADDITIONAL UTILITY CROSSINGS NOT ON PLAN ALLOWANCE	10.00	EA	775.00	7,750.00
420	BOLLARDS ALLOWANCE	8.00	EA	362.02	2,896.16
430	REMOVE REPLACE SW RAMP ALLOWANCE	2.00	EA	924.12	1,848.24
480	CLEAN UP OR SHUTDOWN DAYS ALLOWANCE	5.00	DA	3,100.00	15,500.00
500	OFF DUTY POLICE ALLOWANCE	40.00	HR	75.00	3,000.00
540	TEMPE T 212 A METER ASSEMBLY MATL 2" + ALLOWANCE	1.00	EA	2,250.00	2,250.00
550	TEMPE T 212 A METER ASSEMBLY MATL 2" ALLOWANCE	17.00	EA	427.00	7,259.00
552	TEMPE T 212 A METER ASSEMBLY MATL 1 1/2" ALLOWANCE	10.00	EA	339.00	3,390.00
554	TEMPE T 212 METER ASSEMBLY MATL 1" ALLOWANCE	3.00	EA	73.00	219.00
556	TEMPE T 212 METER ASSEMBLY MATL 3/4" ALLOWANCE	1.00	EA	32.00	32.00
560	MILL 2" ALLOWANCE	2,933.00	SY	2.00	5,866.00
570	2" AC SURFACE A 12.5 ALLOWANCE	2,933.00	SY	8.80	25,810.40
580	REMOVE REPLACE C&G ALLOWANCE	200.00	LF	26.34	5,268.00
590	REMOVE REPLACE SW ALLOWANCE	1,000.00	SF	6.04	6,040.00
600	<b>SUBTOTAL ALLOWANCE WITHOUT BITF</b>				<b>\$108,528.80</b>
610	PAYMENT AND PERFORMANCE BOND 1.5%	1.00	LS	1,934.90	1,934.90
620	GENERAL LIABILITY NSURANCE 1.2%	1.00	LS	1,547.92	1,547.92
630	TAXES 5.265%	1.00	LS	6,791.52	6,791.52
640	CONSTRUCTION FEE 7.9%	1.00	LS	10,190.50	10,190.50
650	<b>TOTAL ALLOWANCES</b>				<b>\$128,993.64</b>

**GRAND TOTAL**

**\$930,387.07**

**NOTES:**

Price based on 90% plans by Waterworks Engineers dated March 2009 redlined received 4/15/09.

- 1) No slurry seal included
- 2) No striping included
- 3) Compaction and material testing by Tempe
- 4) No repair or replacement of traffic loops included
- 5) Moved cold mix allowance to base
- 6) Reduced paving base 4 1/2" to 1 day each street because of cold mix
- 7) Moved Tempe T 212 A meter assembly items to allowance. Will use if existing material warrents change out.
- 8) Moved remove replace curb gutter and sidewalk to allowance item. We will try to punch under and save.
- 9) Changed traffic control units to days to use only as needed.
- 10) Moved mill 2" amd surface course 2" to allowance. May not be needed.

*ALB*

- 11) Added Davis Bacon Wages spread in bid items
- 12) Pierson Construction will comply with ARRA Sec 1605 Use of American Iron, Steel, and Manufactured goods and ARRA Sec 1606 Davis Bacon Act. The Davis Bacon wage decision used is AZ 20080002 3/20/2009 AZ2
- 13) Pierson Construction is a participant of and complies with E-Verify
- 14) Pierson Construction will monitor all environmental conditions during construction.
- 15) All pipe to have 3' minimum cover.
- 16) Community Relations is an allowance and will be billed as used.

Quantities are approximate and final payment is to be based on actual field measurement.

We propose to furnish labor, equipment, and materials - complete in accordance with the plans and specifications supplied to us for the above mentioned project. All material is guaranteed to be as specified. All work will be completed in a workmen like manner according to standard practices. Any alterations or deviations from the above specifications involving extra costs, will be executed only upon written orders and will become an extra charge over and above the proposed estimate.

Prices based on Pierson standard insurance coverages.

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Respectfully submitted,  
Pierson Construction Corporation

Accepted By:

\_\_\_\_\_  
Russell E. Moore, PE

Date: \_\_\_\_\_

\_\_\_\_\_  
Company: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT B**

**FORMS APPENDIX**

The following forms shall be completed and submitted with each Job Order.

LIST OF SUBCONTRACTORS .....	SB-1
STATUTORY PERFORMANCE BOND .....	PB-1
STATUTORY PAYMENT BOND.....	PB-3



STATUTORY PERFORMANCE BOND  
PURSUANT TO TITLE 34,  
CHAPTER 6, OF THE ARIZONA REVISED STATUTES  
(Penalty of this bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS:

That \_\_\_\_\_ (“Principal”) and \_\_\_\_\_,  
a corporation organized and existing under the laws of the State of \_\_\_\_\_, with  
its principal office in the City of \_\_\_\_\_ (“Surety”), are held and firmly bound  
unto \_\_\_\_\_ (“Obligee”) in the amount of \_\_\_\_\_ Dollars  
(\$\_\_\_\_\_), for the payment whereof, the said Principal and Surety bind themselves,  
and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by  
these presents.

WHEREAS, the Principal has entered into a certain written Contract with the  
Obligee, dated the 28<sup>th</sup> day of May, 2009, to complete Project No. 3209321, which Contract is  
hereby referred to and made a part hereof as fully and to the same extent as if copied at length  
herein.

NOW, THEREFORE, the condition of this obligation is such, that if the said  
Principal shall faithfully perform and fulfill all the undertakings, covenants, terms, conditions  
and agreements of said Contract during the original term of said Contract and any extension  
thereof, with or without notice to the Surety, and during the life of any guaranty required under  
the Contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions,  
and agreements of any and all duly authorized modifications of said Contract that may hereafter  
be made, notice of which modifications to the Surety being hereby waived; then the above  
obligation shall be void, otherwise to remain in full force and effect.

Provided, however, that this bond is executed pursuant to the provisions of Title 34, Chapter 6, of the Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of said Title and Chapter, to the extent as if it were copied at length herein.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by the Court. The performance under this bond is limited to the construction to be performed under this Contract and does not include any design services, preconstruction services, finance services, maintenance services, operations services or any other related services included in the Contract.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
PRINCIPAL SEAL

BY: \_\_\_\_\_

\*\*  
\_\_\_\_\_  
SURETY SEAL

BY: \_\_\_\_\_

\_\_\_\_\_  
AGENCY ADDRESS

\*\* Surety hereby acknowledges they are licensed to do business in the State of Arizona \*\*

STATUTORY PAYMENT BOND  
PURSUANT TO TITLE 34,  
CHAPTER 6, OF THE ARIZONA REVISED STATUTES  
(Penalty of this bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS:

That \_\_\_\_\_ (“Principal”) and \_\_\_\_\_,  
a corporation organized and existing under the laws of the State of \_\_\_\_\_,  
with its principal office in the City of \_\_\_\_\_ (“Surety”), as held and firmly  
bound unto \_\_\_\_\_ (“Obligee”) in the amount of \_\_\_\_\_  
Dollars (\$\_\_\_\_\_), for the payment whereof, the said Principal and Surety bind  
themselves, and their heirs, administrators, executors, successors and assigns, jointly and  
severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the  
Obligee, dated the 28<sup>th</sup> day of May, 2009, to complete Project No. 3209321, which Contract is  
hereby referred to and made a part hereof as fully and to the same extent as if copied at length  
herein.

NOW, THEREFORE, the condition of this obligation is such, that if the said  
Principal shall promptly pay all monies due to all persons supplying labor or materials to the  
Principal or the Principal’s Subcontractors in the prosecution of the construction provided for the  
Contract, then this obligation shall be void, otherwise to remain in full force and effect;

Provided, however, that this bond is executed pursuant to Title 34, Chapter 6,  
Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with  
the provisions, conditions and limitations of said Title and Chapter to the same extent as if it  
were copied at length in this Contract.

The prevailing party in a suit on this bond shall recover as a part of the judgment  
reasonable attorney fees that may be fixed by the Court.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
PRINCIPAL SEAL

BY: \_\_\_\_\_

\_\_\_\_\_  
\*\*  
SURETY SEAL

BY: \_\_\_\_\_

\_\_\_\_\_  
AGENCY ADDRESS

\*\* Surety hereby acknowledges they are licensed to do business in the State of Arizona \*\*

**CITY OF TEMPE  
TEMPE, ARIZONA  
DEPARTMENT OF PUBLIC WORKS**

**JOC CONTRACTOR'S AFFIDAVIT  
REGARDING  
SETTLEMENT OF CLAIMS**

\_\_\_\_\_, Arizona

Date \_\_\_\_\_

**WATER LINE UPGRADES/REPLACEMENT:  
ORANGE AND LEMON STREETS  
PROJECT NO. 3209321**

To the City of Tempe, Arizona

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above Project, whether by subcontractor or claimant in person, have been duly discharged or will be discharged after receipt of the final payment from the City of Tempe for the above Project.

The undersigned, for the consideration of \$\_\_\_\_\_, as set out in the final pay estimate, as full and complete payment under the terms of the Contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project against the City of Tempe. The undersigned further agrees to defend, indemnify and save harmless the City of Tempe against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said City may suffer arising out of the failure of the undersigned to pay for all labor performances, materials, and/or equipment furnished for the performance of said installation.

Signed and dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Job Order Contractor

By: \_\_\_\_\_

STATE OF ARIZONA            )  
  ) ss  
COUNTY OF MARICOPA        )

The foregoing instrument was subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Notary Public

[Notary Seal]