



CITY OF DURHAM | NORTH CAROLINA

Date: June 4, 2015

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Jina B. Propst, Assistant Director, General Services Department

Subject: Third Amendment to the Contract for Special Inspections and Constructions Materials Testing Services for the Fire Station 9 Project with A1 Consulting Group INC

In response to Council Member's question regarding Agenda Item PR 10474, Item 28 on the agenda for today's work session:

- a. When do we anticipate the construction will be complete?
 - Upon completion of the submittal of the truss repair documents, acceptance and mobilization of the truss repair team the anticipated duration of the critical remediation of the trusses is anticipated to be 2-3 weeks. The City Attorney's office has been closely working with GSD and the Contractor's attorney and Surety in furtherance of the repair plan for the trusses.
 - Upon successful completion of the truss work, which includes approval by the design team and special inspections firm, the parties will negotiate the completion of the balance of the unfinished work. Whether completion (post truss repair work) will be performed by Morlando has yet to be determined, but will be explored in coordination with the City Administration, Surety and City Attorney.
 - The project is approximately 66% complete, depending upon next steps with Morlando after the truss repair work, it would not be unreasonable to expect that the balance of the unfinished work duration to complete would be 4-months.

- b. We are assessing liquidated damages. How confident are we in the surety? Given our recent experience with past language on sureties for residential neighborhoods, are we confident in our language regarding the surety in this case and in other cases regarding contractor obligations?

The bonds for City construction projects are required by statute and in the form of templates prepared and approved by the City Attorney's Office. (According to the City Attorney's Office, the same was not true for the bonds used in the past for residential infrastructure.) The City and Design team have also closely monitored pay applications submitted by Morlando to ensure that the City has not overpaid for work complete, has withheld payment for nonconforming work requiring completion and has withheld liquidated damages in accordance with the contract