OVERSIGHT BOARD

OF THE

SUCCESSOR AGENCY

TO THE

ORANGE REDEVELOPMENT AGENCY

AGENDA ITEM: 3.4

MEETING DATE: WEDNESDAY, APRIL 10, 2013

TO:

Members of the Oversight Board

THRU:

John W. Sibley, Executive Director of the Successor Agency to

the Orange Redevelopment Agency N

FROM:

Barbara Messick, Successor Agency Staff BAWN

1. **SUBJECT**

Resolution No. OB-0034 - Amending Resolution OB-0015 (A Resolution of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency approving an Award of Contract for Bid No. 123-14; SP-3826; Slurry Seal at Various Successor Agency Owned Parking Lots) authorizing a revised project budget of \$154,701.00.

2. SUMMARY

Assembly Bill 1484, specifically Health and Safety Code Section 34171 (d)(1)(F) provides for a successor agency to enter into contracts necessary for maintaining assets prior to disposition. On November 14, 2013, the Oversight Board adopted Resolution OB-0015, authorizing an award of contract to the apparent low bidder, Pavement Coatings Co., for the bid amount of \$140,637.00. Due to an oversight, Resolution OB-0015 did not include a 10% contingency for unforeseen work that surfaced during the course of construction. The total project budget, including the 10% contingency is \$154,701.00. Resolution OB-0034 amends the total project budget for the Slurry Seal at Various Successor Agency Owned Parking Lots to \$154,701.00.

3. RECOMMENDED ACTION(S)

- 1) Approve Resolution No. OB-0034; and
- 2) Authorize the Executive Director to execute the necessary documents on behalf of the Successor Agency.

4. DISCUSSION

Per Assembly Bill 1484, a Successor Agency is allowed to enter into contracts or agreements for maintenance of assets owned by the Successor Agency prior to disposition (Health and Safety Code Section 34171 (d)(1)(F)). The Successor Agency owns seven public parking lots in the Old Towne area.

On November 14, 2012, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency adopted Resolution OB-0015, authorizing an award of contract to Pavement Coatings Co. in the amount of \$140,637.00 for parking lot repair and maintenance work. The staff report for the award of contract to Pavement Coatings Co. requested authorization of a 10% contingency for unforeseen costs which may arise during the course of construction, for a total project budget of \$154,701.00.

Due to a staff oversight, Resolution OB-0015 did not include the 10% contingency which was referenced in the staff report. The contingency is not included in the contract amount, but is available for approval by the Executive Director of the Successor Agency through an authorized change order. The City of Orange Municipal Code Section 3.08.560 grants the Executive Director of the Successor Agency the authority to approve change orders on public works projects for an amount of 10% of the total contract or \$10,000.00, whichever is greater, provided the amount is within the Executive Director approval threshold of \$30,000.00.

The contingency of \$14,064.00 is needed to fund additional work which surfaced during the course of construction, including rehabilitation of the asphalt surface in a public alley adjacent to the South Orange parking lot and some minor irrigation and painting work. Sufficient funds are included in ROPS3 which was approved by the DOF for the period of January through June 2013 to fund this project for a total of \$154,701.00.

8. ATTACHMENTS

Resolution No. OB-0034

RESOLUTION NO. OB-0034

AN AMENDMENT TO RESOLUTION NO. OB-0015 (A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY APPROVING AN AWARD OF CONTRACT TO PAVEMENT COATINGS CO., FOR BID NO. 123-14; SP-3826; SLURRY SEAL AT VARIOUS SUCCESSOR AGENCY OWNED PARKING LOTS) AUTHORIZING A REVISED PROJECT BUDGET OF \$154,701.00.

- WHEREAS, Assembly Bill x1 26 ("AB 26") and AB x1 27 were passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and
- WHEREAS, among other things, AB 26 amended Sections 33500, 33501, 33607.5 and 33607.7 of the California Health and Safety Code and added Part 1.8 and Part 1.85 of Division 24 to the California Health and Safety Code; and
- WHEREAS, by enactment of Part 1.85 of Division 24 of the California Health and Safety Code, subject to all reservations herein stated, the Orange Redevelopment Agency (the "Agency") was dissolved as of February 1, 2012; and
- WHEREAS, Assembly Bill 1484 ("AB 1484") was passed by the State Legislature on June 27, 2012 and signed by the Governor on June 27, 2012 which adds and amends certain provisions contained in AB 26, including the process for adopting Recognized Obligation Payment Schedules; and
- WHEREAS, California Health and Safety Code Section 34173(a) designates successor agencies as successor entities to former redevelopment agencies; and
- WHEREAS, on January 10, 2012, by Resolution No. 10625, the City of Orange declared itself as the successor agency (the "Successor Agency") upon the dissolution of the Agency, subject to all reservations stated in such resolution; and
- WHEREAS, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency (the "Oversight Board") has been established to direct the Successor Agency to take certain actions to wind down the affairs of the Agency in accordance with the California Health and Safety Code; and
- WHEREAS, California Health and Safety Code Section 34171(d)(1)(F) includes in the definition of enforceable obligation any contracts necessary for the administration or operation of the Successor Agency including the costs of maintaining assets prior to disposition; and
- WHEREAS, on November 14, 2012, the Oversight Board adopted Resolution OB-0015 which approved an award of contract to Pavement Coatings, Co., in the amount of \$140,637.00 for parking lot maintenance and repair at seven parking lots owned by the Successor Agency; and

WHEREAS, due to an oversight, Resolution OB-0015 did not include a 10% contingency in the amount of \$14,064 to be added to the project cost, for a total project budget of \$154,701;

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency does hereby resolve as follows:

- **Section 1.** The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
 - **Section 2.** All legal prerequisites to the adoption of this Resolution have occurred.
- **Section 3.** The Oversight Board hereby resolves to amend Resolution OB-0015 to revise the amount of the project budget to include the 10% contingency, for a total project budget of \$154,701 for maintenance and repair at seven parking lots owned by the Successor Agency.
- **Section 4.** The Executive Director of the Successor Agency is hereby authorized to take such actions as are necessary to grant this approval and to administer the Successor Agency's obligations, responsibilities and duties to be performed under the Contract with Pavement Coatings, Inc.
- Section 5. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

Section 6.	This	Resolution	shall take	effect 11	mmediatel	y upon it	s adoptioi	1.
ADOPTED th	nis	day of		_, 2013.				

Carolyn V. Cavecche Chairperson of the Oversight Board to the Successor Agency of the Orange Redevelopment Agency

	-	regoing Resolution was duly and regularly adopted by the
_		Agency to the Orange Redevelopment Agency at a regular
meeting there	of held on the day	of, 2013, by the following vote:
AYES:	BOARDMEMBERS:	
NOES:	BOARDMEMBERS:	
ABSENT:	BOARDMEMBERS:	
ABSTAIN:	BOARDMEMBERS:	
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		Robert Zornado
		Clerk of the Oversight Board