

**The City of Garden Grove as Successor Agency to the
Garden Grove Agency for Community Development**

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
From: William E. Murray
Dept: Director
Dept: Public Works
Subject: AMENDMENT TO THE AGREEMENT WITH J & G INDUSTRIES FOR DEMOLITION OF STRUCTURES AT THE FUTURE SITE OF THE WATER PARK HOTEL
Date: November 27, 2012

OBJECTIVE

It is requested that The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") approve a contract amendment (effectuating a change order) with J & G Industries, Inc. ("Contractor"), for the removal of a swimming pool located at 12625 Harbor Boulevard, the future site of the water park hotel; and to rescind a previously approved Notice of Completion for the project.

BACKGROUND/DISCUSSION

On August 23, 2011, the Garden Grove Agency for Community Development awarded a contract the Contractor for asbestos abatement and demolition of structures (the "Project") at the 12601 Leda Lane, 12602 Leda Lane, 12581 Harbor Boulevard, 12591 Harbor Boulevard, 12625 Harbor Boulevard, and 12721 Harbor Boulevard.

Subsequently, while conducting soils investigations a buried swimming pool was discovered. The Contractor submitted a proposed change order of \$20,400 to remove the swimming pool, which when taken together with prior change orders, exceeds the change order administrative limit.

FINANCIAL IMPACT

There is no impact to the General Fund. The demolition project is part of an enforceable obligation and is being funded by Successor Agency funds.

RECOMMENDATION

It is recommended that the Successor Agency:

- Rescind the Notice of Completion, dated May 22, 2012;

AMENDMENT TO AGREEMENT WITH J&G INDUSTRIES FOR DEMOLITION OF
STRUCTURES AT FUTURE SITE OF WATERPARK HOTEL

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- Approve the Contract Amendment effectuating a change order to J&G Industries Inc., in the amount of \$20,400.00, for the removal of the swimming pool;
- Authorize the Director to increase the contract sum with J & G Industries, Inc., to \$410,150 to cover the cost of this change order; and
- Authorize the Director to execute a contract amendment for the change order on behalf of the Successor Agency and make minor modifications on behalf of the Successor Agency as appropriate.



WILLIAM E. MURRAY, P.E.
Public Works Director/City Engineer



By: Carlos Marquez
Senior Real Property Agent

Attachment 1: Notice of Completion, dated May 22, 2012

Attachment 2: Amendment to Project Agreement

Recommended for Approval



Matthew Fertal
Director

ATTACHMENT #1

RECORDING REQUESTED BY
See below

When Recorded Mail To:

City Clerk
City of Garden Grove
P. O. Box 3070
Garden Grove, CA 92842

NOTICE OF COMPLETION
OF PUBLIC IMPROVEMENT AND WORK

NOTICE IS HEREBY GIVEN that the City of Garden Grove as successor agency to the Garden Grove Agency for Community Development, a public body, located in Garden Grove, County of Orange, California, has caused a public project, to wit:

ASBESTOS ABATEMENT AND DEMOLITION OF SIX STRUCTURES LOCATED AT 12601 LEDA LANE, 12602 LEDA LANE, 12581 HARBOR BOULEVARD, 12591 HARBOR BOULEVARD, 12625 HARBOR BOULEVARD, AND 12721 HARBOR BOULEVARD

Abatement of all asbestos containing material and demolition of existing structures upon the real property described in Exhibit A attached hereto and made a part of. The contract for furnishing of all labor, services, materials, and equipment, and all utilities and transportation, including power, fuel, and water, and performing all work necessary to abate all asbestos containing material and demolish existing structures, in a good and workmanlike manner in strict accordance with the specifications, plans, and drawings therefore on file in the office of the City Clerk of the City of Garden Grove, for above-described public project and work, was heretofore made and entered into with, J & G Industries, Inc., on the 23rd day of August 2011, and filed for record in the office of the City Clerk of the City of Garden Grove; that the work upon said public project has been completed, and that the Senior Real Property Agent has notified the Successor Agency Board that he has made and completed a final inspection of the abatement of asbestos materials and the demolition of said structures, and has certified in writing to the Successor Agency Board that all the provisions of the contract and contract documents for the furnishing of all labor, materials, and equipment, and the performing of all work necessary for said public project above described has been fully complied with to his satisfaction as required by the contract document; that final acceptance of the of said public project above described was made on the 22nd day of May, 2012 that the nature of the title to said real property is as follows:

That is to say, the City of Garden Grove as successor agency to the Garden Grove Agency for Community Development, a public body, is the owner of said real property described in Exhibit A, in fee simple interest and awarded a contract to J & G Industries, Inc., for the purpose of furnishing of all labor, services, materials, and equipment, and all utilities and transportation, including power, fuel, and water, and performing all work necessary to abate all asbestos containing material and demolish existing structures

This document is exempt from payment of recording fee pursuant to Section 6103 of the Government Code.

By: Maritza Pizarro
Declarant
Maritza Pizarro

NAME OF SURETY on Labor and Material Bond is: Contractors Bonding & Insurance
Company
111 Pacifica Suite 350
Irvine, CA 92618
Tel No. (949) 341-9110

DATED this 24 day of May 2012

CITY OF GARDEN GROVE AS
SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT, a
public body

By Matthew Fortal
Director

ATTEST:

Kathleen Ravior
Secretary

STATE OF CALIFORNIA
COUNTY OF ORANGE

I am the Director of the City of Garden Grove as successor agency to the Garden Grove Agency for Community Development.

I have read the foregoing Notice of Completion of said public project, and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters, which are therein stated upon my information or belief, and as to those matters I believe to be true.

I certify (or declare), under penalty of perjury, that the foregoing is true and correct.

Executed on May 22, 2012 at Garden Grove, California
(Date) (Place)

Matthew Fortal
Matthew J. Fortal
Director

Exhibit A

Legal Description

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

PARCEL A: (231-431-02)

THE EAST HALF OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 8 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (231-431-03)

THE EAST ONE-HALF OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 8 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE EASTERLY 35 FEET.

PARCEL C: (231-441-27)

PARCEL 1:

THE SOUTH 140 FEET OF THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA.

PARCEL 2:

AN EASEMENT FOR ROAD PURPOSES TO BE USED IN COMMON WITH OTHERS OVER THE EAST 28 FEET OF THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, SAN BERNARDINO BASE AND MERIDIAN.

EXCEPTING THEREFROM THE SOUTH 140 FEET.

PARCEL 3:

AN EASEMENT FOR ROAD PURPOSES TO BE USED IN COMMON WITH OTHERS OVER THE WEST 25 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION THIRTY-FOUR, TOWNSHIP FOUR SOUTH, RANGE TEN WEST, SAN BERNARDINO BASE AND MERIDIAN.

PARCEL D: (231-441-29)

PARCEL 1:

THE SOUTH 140.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE SOUTH 20.00 FEET OF THE WEST 20.00 FEET.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE WEST 25.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN.

EXCEPTING THEREFROM THE SOUTH 140.00 FEET.

PARCEL E: (231-441-39)

THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPT THE SOUTH 100.00 FEET THEREOF.

ALSO EXCEPT THE NORTH 490.00 FEET THEREOF.

PARCEL F: (231-441-40)

THE SOUTH 100.00 FEET OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL G: (231-441-28)

THE SOUTH 140.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 10 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA.

EXCEPTING THAT PORTION CONVEYED TO JACK T. MATSUDA AND RUTH A. MATSUDA,

HUSBAND AND WIFE, BY DEED RECORDED AUGUST 04, 1959, IN BOOK 4825, PAGE 239,
OFFICIAL RECORDS.

APN: 231-431-02; 231-431-03; 231-441-27; 231-441-28; 231-441-29; 231-441-39; and 231-
441-40

(End of Legal Description)

AMENDMENT TO PROJECT AGREEMENT

This Change Order / Amendment to Project Agreement (“Change Order No. 8”) is made and entered into effective as of January 13, 2013, by and between the **CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, (“SUCCESSOR AGENCY”), and **J & G INDUSTRIES, INC.** (“CONTRACTOR”).

RECITALS

- A. GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT (“AGENCY”) and CONTRACTOR entered into that certain Project Agreement, dated August 23, 2011 (the “Agreement”), in which CONTRACTOR is furnish all labor, material, equipment, for demolition, site improvement, traffic control and asbestos abatement for six structures located on property owned by the Agency located at 12601 Leda Lane, 12602 Leda Lane, 12591 Harbor Blvd, 12581 Harbor Blvd, 12625 Harbor Blvd, 12721 Harbor Blvd, in the City of Garden Grove.
- B. Pursuant to the provisions of ABX1-26, including but not limited to Health and Safety Code Section 34173, SUCCESSOR AGENCY is the successor entity to the AGENCY.
- C. Section 4.9 of the Agreement authorizes changes in the work within the general scope of the Agreement pursuant to written change orders from the AGENCY/SUCCESSOR AGENCY.
- D. AGENCY and/or SUCCESSOR AGENCY previously approved seven (7) change orders for additional work by CONTRACTOR, which increased the total compensation due CONTRACTOR pursuant to the Agreement by the aggregate sum of Seventy Three Thousand Seven Hundred Seventy Seven Dollars (\$73,777.00).
- E. SUCCESSOR AGENCY and CONTRACTOR wish to amend the Agreement pursuant to this Change Order No. 8 to provide for the excavation, demolition, removal, and disposal by CONTRACTOR of all remnants of a former hotel swimming pool recently discovered below the ground surface of the property located at 12625 Harbor Boulevard.

AGREEMENT

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. CONTRACTOR hereby agrees to excavate, demolish, remove, and dispose of all structural remnants of the former hotel pool located beneath the ground surface of the property located at 12625 Harbor Boulevard in accordance with the proposal provided by CONTRACTOR for said work, which is attached hereto as Exhibit “A” and incorporated herein by reference. In the event of a conflict between the terms of CONTRACTOR’s proposal attached as Exhibit “A” and terms set forth in the Agreement, the terms expressly set forth in the Agreement shall govern.
2. CONTRACTOR agrees commence the additional work approved pursuant to this Change Order No. 8 within TEN (10) calendar days from the date set forth in the “Notice to Proceed” sent by SUCCESSOR AGENCY and shall diligently prosecute said additional work to completion within FIFTEEN (15) calendar days from commencement of work excluding delays caused or authorized by SUCCESSOR AGENCY a set forth in Section 4.7, 4.8 and 4.9 of the Agreement.
3. For the additional work authorized pursuant to this Change Order No. 8, CONTRACTOR shall be compensated in the additional Not-to-Exceed amount of Twenty Thousand Four Hundred Dollars and 00/100 Cents (\$20,400.00).

4. This Change Order No. 8 shall constitute a change order in accordance with Section 4.9 of the Agreement.
5. Except as expressly amended hereby, all terms and provisions of the Agreement remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Change Order No. 8 to be executed by their respective officers duly authorized on the date first written above.

"SUCCESSOR AGENCY"
CITY OF GARDEN GROVE, as Successor
Agency to the Garden Grove Agency for
Community Development, a public body

By: _____
Director

ATTESTED:

Secretary

Date: _____

"CONTRACTOR"
J&G INDUSTRIES, INC., a California
corporation

By: _____

Name: _____

Title: _____

Date: _____

Tax ID No. _____

Contractor's License: _____

Expiration Date: _____

If CONTRACTOR is a corporation, a Corporate
Resolution and/or Corporate Seal is required. If a
partnership, Statement of Partnership must be
submitted to CITY.

APPROVED AS TO FORM:

Successor Agency Counsel

Date

EXHIBIT A

PROPOSAL FOR SWIMMING POOL DEMOLITION AND REMOVAL SERVICES

18627 BROOKHURST STREET #302 • FOUNTAIN VALLEY, CA 92708
PHONE: 714-903-2002 • FAX: 714-903-2003 • www.j-gindustries.com



PROPOSAL & CONTRACT

INSURED & BONDABLE

714-741-5205

OWNER/CONTRACTOR PROPOSAL SUBMITTED TO: Carlos Marquez	PHONE: 714-741-5131	DATE: 06/07/2012
NAME: City of Garden Grove	LEGAL: JOB LOCATION Pool @ vacant lot	
STREET 11222 Acacia Parkway	STREET 12625 Harbor Blvd	
CITY: Garden Grove, CA 92840	STATE: CA	CITY: Garden Grove, CA 92843

We propose to furnish all equipment and perform all labor necessary to complete the following:

Excavate, remove and dispose of Hotel Swimming pool located at 12625 Harbor Blvd. (Vacant lot Site).
Not to Exceed \$20,400.00

Exclusions: Handling or hauling of hazardous, toxic or contaminated materials
Import or export of dirt
Compaction
Engineering / surveying / testing

J & G INDUSTRIES, INC. RESERVES ALL SALVAGE RIGHTS

This contract does not include any damage or repairs to underground facilities not visible from the surface or otherwise designated by owner/contractor and stated in this agreement.

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of: Twenty thousand four hundred DOLLARS (\$ 20,400.00)

Payment to be made in full upon completion of above portion of work. NO RETENTIONS TO BE HELD.

Any alteration or deviation from the above specifications involving extra cost of materials or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

It is further understood and agreed that Workmen's Compensation and Public Liability Insurance will be provided, however coverage applies only to work actually performed by J & G Industries Inc. in accordance with terms and conditions of this contract. Certificates of Insurance will be furnished upon request.

THIS PROPOSAL VALID FOR 90 DAYS FROM THE ABOVE DATE. Authorized Signature:

ACCEPTANCE OF PROPOSAL

In the event of customer failure to pay contract price, customer agrees to pay in addition to said contract price, reasonable attorney's fee, cost and interest for collection:

You are hereby authorized to furnish all equipment and labor to complete the work mentioned in the above proposal, for which _____ agree to pay the amount in said proposal, and according to the terms thereof.

COMPANY: _____

Authorized Signature: _____

Date Accepted: _____

NOTICE

Under the Mechanics Lien Law (California Code of Civil Procedure, Section 1181 et seq.) any contractor, sub-contractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the sub-contractor, laborer, or supplier remains unpaid.

IF CONTRACT ACCEPTABLE, PLEASE SIGN AND RETURN TO J & G INDUSTRIES, INC.