



City Manager's Report
June 26, 2018 City Council Meeting
Prepared By: Rebecca Neves, City Engineer

Item#: 12.3

Subject: Adopt a Resolution:

1. Approving a Paving Construction Contract for Canal Street Pavement Rehabilitation Project (CIP #41919) with Doug Veerkamp General Engineering, Inc. (DVGE), in the amount of \$187,000; and
2. Authorizing the City Manager to negotiate any necessary Contract Change Orders for a not-to-exceed aggregate amount of \$18,700; and
3. Approving a \$180,000 budget appropriation in unassigned Measure L Fund balance for the said project; and
4. Approving a \$31,000 budget appropriation from the Measure L Fund Operating Reserve for the said project.

Purpose: The purpose of the proposed contract is to improve the current Pavement Condition Index (PCI) for Canal Street from its existing range of 9 to 42 (poor to failed category) to very good (PCI of 70 and above), inclusive of pedestrian crosswalks in the interest of public safety and general liability.

Background:

The City's Pavement Management Program cites a Pavement Condition Index (PCI) ranging from 9 to 42 for Canal Street from the intersection at Bee Street to Cougar Lane. This PCI puts Canal Street as a prime candidate for pavement rehabilitation. Canal Street is a Major Collector with an average daily traffic of approximately 4,500 vehicles per day and serves as a direct connection to El Dorado High School and adjoining neighborhoods and community facilities. For those reasons, this project was prioritized for delivery. At its meeting held on May 17, 2018, and prior to the City receiving project bids, the Measures H/L Sales Tax Committee approved a recommendation for the City Council to approve a \$180,000 budget appropriation in Measure L Funds for the Canal Street Pavement Rehabilitation project (CIP #41919). The bidding climate has been steadily increasing over the last two years, and more so recently over the last few months. One of the main contributors is the price per barrel cost increase for oil, a main component in the manufacturing and placement of hot mix asphalt, thus increasing asphalt costs along with it. When bids were received on June 18, 2018, it was determined that additional funds would be needed to fund the paving contract.

Discussion:

After solicitation of several local contractors, a single bid was received for the project from Doug Veerkamp General Engineering, Inc. (DVGE) in the amount of \$187,000, which is above the Engineer's Estimate of \$150,000. Per Section 22034 of the Public Contract Code, the bid received is still within an awardable amount for informal bid procurement procedures. A 10% contingency of \$18,700, for a not-to-exceed project funded amount of \$205,700, is recommended if additional items are needed during construction to further address field conditions, repairs of the existing paving, or additional grinding and repaving. The extent of these items will not be fully known until the project is actively under construction. Staff's recommendation also includes the request to grant the City Manager the authority to implement expedient solutions during construction for efficient use of funds to address items beyond the awarded contract scope of work and to prevent delay. With the Council approval, the City Manager will be able to negotiate any necessary contract change orders being requested for a not-to-exceed aggregate amount of \$18,700. The process for using this proposed authority will be upon evaluation in the field during construction, the City Engineer will review force account options and make a recommendation to the City Manager to address the out of scope work that will deliver a more complete and durable paving project for Canal Street. The project limits are from the intersection of Bee Street to Cougar Lane on Canal Street. If time allows, staff will present any change orders to the City Council for approval prior to execution.

Options:

1. Approve the construction contract, CCO allowance, and supporting funding appropriations as recommended by staff.
2. Direct staff to revise the scope of the project or address a different project on the recommended list of future projects.

Cost: The cost of the proposed construction contract with DVGE is \$187,000.

Budget Impact:

Staff recommends the following project budget:

Construction	\$ 187,000
Inspections and Staff Time	5,300
Contingency	18,700
Total	<u>\$ 211,000</u>

Time is of the essence to deliver this project prior to school resuming following summer break. With approval of this item, construction would begin July 9, 2018 and conclude July 20, 2018. Since this request is greater than the originally estimated amount, staff is also recommending utilization of the Measure L Fund Operating Reserve to fully fund the delivery of this project. The current balance of that reserve is \$200,000. This Reserve was established for unforeseen

project expenditures like these. Any unused Measure L Fund revenue will be liquidated and returned to the Reserve for use on other future projects. Over the next few months, staff will develop a plan to reestablish the \$200,000 Reserve. Any budget savings from existing Measure L funded projects could potentially be rolled into the Reserve.

Recommendation:

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M. Cleve Morris, City Manager
Director



Pierre Rivas, Development Services



Rebecca Neves, City Engineer

Attachment: Resolution