



MEMORANDUM

TO: City Council

FROM: Steve Kahn, Interim Public Works Director

BY: Shannon Sweeney, City Engineer

SUBJECT: Consideration of Adding the Add-Alternate Elements to the Contract for Construction of the 2022 Concrete Repairs Project, PW 2022-07

DATE: August 22, 2023

SUMMARY OF ACTION:

Expand the construction contract for the 2022 Concrete Repairs Project to JJ Fisher Construction, Inc. to include the two add alternate elements from the initial bid and approve two Budget Adjustment Requests. The draft amended contract is included as Attachment 1.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The 2022 Concrete Repair Project (Project) was initially funded with \$470,000 of Local Sales Tax Funds and \$56,000 of Community Development Block Grant Funds (CDBG), for a total of \$526,000. \$399,145 was allocated for construction, \$39,915 for contingency and \$86,940 for survey and design. This funding was only sufficient to proceed with the base bid for this project.

The original bid included two add-alternates: the east and south crosswalks and adjoining curb at the intersection of East Branch and Mason (\$93,527), and 920 square feet of sidewalk repairs adjacent to the curb ramp improvements at Alder and Farroll (\$28,660), for a total additional cost of \$122,187. Additionally, potential change orders of 10% of the additional amount, \$12,218.70, for unanticipated costs during the construction phase of the Project increase the funding amount needed for the two add-alternates to \$134,405.70. To fund the base bid and two add-alternates the total Concrete Repairs budget needed is \$660,406.

To fund the remaining \$134,406 a reallocation of Local Sales Tax fund dollars from the 2022 Streets Repairs Project to the 2022 Concrete Repairs Project is proposed because the 2022 Streets Repairs Project has an additional revenue source of \$413,400. During a budgetary update meeting with the San Luis Obispo County of Governments (SLOCOG), staff was informed that SLOCOG now has \$413,400 in Urban State Highway

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Account funds (USHA) available to the City. The requested budget adjustment will increase the 2022 Street Repairs Project revenue by \$413,400.

Council is being asked to approve two budget adjustments. The requests include (1) \$413,400 to increase revenue from Urban State Highway Account funds (USHA) for the 2022 Streets Repairs Project; and (2) \$134,406 Reallocation of Local Sales Tax Funds from the 2022 Streets Repairs Project to the 2022 Concrete Repairs Project. No funds are being requested from Local Sales Tax fund balance at this time.

RECOMMENDATION:

1) Increase the contract for the 2022 Concrete Repairs Project to JJ Fisher Construction, Inc. in the amount of \$122,187 for the two add-alternate elements of, a) the east and south crosswalks and adjoining curb at the intersection of East Branch and Mason Street, and b) 920 square feet of sidewalk repairs adjacent to the curb ramp improvements at Alder Street and Farroll Avenue; 2) Authorize the City Manager to approve change orders of 10% of the additional amount, \$12,218.70, for unanticipated costs during the construction phase of the Project; and 3) Approve two budget adjustment requests.

BACKGROUND:

Each year the Public Works Department's Engineering Division identify damaged sidewalks requiring repair to mitigate the potential for trip and fall hazards located in the public right-of-way, as well as evaluating gaps in the sidewalk system, and other sidewalk conditions around the City with a focus on routes to schools and heavy pedestrian routes. The proposed project presented with this item is the latest in a continuing effort to systematically address damaged concrete facilities at various locations throughout the City.

At its [May 23, 2023 regular meeting](#), the City Council approved Sidewalk Tile Bands, Tree Well Borders, and Crosswalk Improvements in the Village as components of the Project and directed completion of the plans, specifications and estimate (PS&E).

At its [June 13, 2023 regular meeting](#), the City Council approved the PS&E, authorized Staff to solicit bids for construction of the Project, found the Project is categorically exempt from the California Environmental Quality Act (CEQA) and directed the City Clerk to file a Notice of Exemption.

On June 20, 2023, in accordance with City purchasing policies, the City advertised publicly for bids to construct the Project. On July 18, 2023, four bids were received prior to the 2:00 pm bid close at the City Corporation Yard. The Bid Opening Log Sheet is provided in Attachment 3. The lowest responsible bid was submitted by JJ Fisher Construction for an amount of \$520,538, which included the Base Bid and Add Alt Bids 1 and 2.

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At its [July 25, 2023](#) regular meeting, the City Council awarded the project to JJ Fisher for the base bid in the amount of \$398,351. The 2022 Concrete Repair Project (Project) was initially funded with \$470,000 of Local Sales Tax Funds and \$56,000 of Community Development Block Grant Funds (CDBG), for a total of \$526,000. \$399,145 was allocated for construction, \$39,915 for contingency and \$86,940 for survey and design. This funding was only sufficient to proceed with the base bid for this project.

Construction plans for the project are included by attachment to the minutes of the City Council [June 13, 2023 regular meeting](#).

Budget Adjustments

Council is being asked to approve two budget adjustments. These two requests are related to additional funds available from Urban State Highway Account funds (USHA) and reallocating Local Sales Tax Funds from the 2022 Streets Repairs project to the 2022 Concrete Repairs project.

ANALYSIS OF ISSUES:

The Project includes concrete improvements in the village, installation of curb ramps, and installation and/or repair of missing and damaged sidewalks. Current construction market volatility makes project budgeting and bidding challenging. To provide flexibility for construction work the bid package included three pricing elements including: Base Bid, Add Alternate Bid 1, and Add Alternate Bid 2. The intention was the Base Bid would be constructed and the Add Alternate Bids may, or may not, be constructed depending on the amount of the winning Bid. The entire project, including the additive alternates were competitively bid in compliance with the City's purchasing policy. The three bid elements are generally described below along with the received JJ Fisher Construction Bid amount, whose bid is included as Attachment 2:

- Base Bid
 - Village crosswalks, sidewalk bands and tree wells, Alder Street and Farroll Avenue and Alder Street and Sandalwood Avenue concrete sidewalk and sidewalk under drain repairs in the Rancho Grande Area
 - JJ Fisher Construction Bid is \$398,351
- Add Alternate Bid 1
 - East Branch & Mason Street crosswalks
 - JJ Fisher Construction Bid is \$93,527
- Add Alternate Bid 2
 - Alder Street and Farroll Avenue sidewalks (does not include ramps)
 - JJ Fisher Construction Bid is \$28,660

The combined total of the JJ Fisher Construction, Inc. Bid is \$520,538, whereas the City construction budget was initially \$399,145, plus a 10% contingency for unanticipated costs during construction. Based on the initial construction budget the City awarded the Base Bid only to JJ Fisher Construction, Inc. in the amount of \$398,351. The 2022

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Concrete Repair Project (Project) was initially funded with \$470,000 of Local Sales Tax Funds and \$56,000 of Community Development Block Grant Funds (CDBG), for a total of \$526,000. This funding was only sufficient to proceed with the base bid for this project.

The original bid included two add-alternates: the east and south crosswalks and adjoining curb at the intersection of East Branch and Mason (\$93,527), and 920 square feet of sidewalk repairs adjacent to the curb ramp improvements at Alder and Farroll (\$28,660), for a total additional cost of \$122,187. The initial budget for this project had inadequate funds to complete these additional elements. However, with City Council consideration and approval, \$134,405.70 of that funding can be allocated to the 2022 Pavement Repairs Project and an equivalent amount of sales tax revenue transferred to this project to complete the additional work.

Because the additional work is adjacent to work already being done as part of this project, there is an economy of scale that can be realized by completing the additional work at this time. In addition, this extra work addresses curb and asphalt defects in a highly traveled intersection, improving safety for pedestrians in the Village.



Budget Adjustments

The 2022 Streets Repairs project total funding as report on June 13, 2022 is shown in Table 2 under the funding available column below:

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Table 2 - 2022 Street Repairs project funding

Revenue Source	Funding Available	Budget Adjustments
USHA	-	413,400
General Fund	384,343	-
SB 1	453,300	-
Local Sales Tax Fund	5,784,274	(134,406)
Total	6,621,916	278,994

Staff has identified two budget adjustments for consideration of reallocation through budget adjustment approval, as described in more detail below:

- **\$413,400 Revenue Increase:** During a budgetary update meeting with the San Luis Obispo County of Governments (SLOCOG), staff was informed that SLOCOG now has \$413,400 in Urban State Highway Account funds (USHA) available to the City (an annual allocation of approximately \$68,900 accumulated over about six years) for pavement maintenance projects. This budget adjustment would increase the funding available for the 2022 Streets Repairs project.
- **\$134,406 Reallocation of Local Sales Tax Funds:** With the increase in USHA revenue for the 2022 Streets Repairs project the proposed reallocation transfers \$134,406 of Local Sales Tax fund from the 2022 Streets Repairs project to the 2022 Concrete Repairs project. No funds are being requested from Local Sales Tax fund balance at this time.

The updated 2022 Concrete Repairs project budget is shown in Table 3 below:

Table 3 - 2022 Concrete Repairs project funding

Revenue Source	Budget	Budget Adjustment	Total Project Budget
CDBG	56,000		56,000
Local Sales Tax Fund	470,000	134,406	604,406
Total	526,000	134,406	660,406

Table 3 has sufficient funding for both the base bid and two add-alternate elements to be completed as part of the 2022 Concrete Repairs project.

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ALTERNATIVES:

1. 1) Increase the contract for the 2022 Concrete Repairs Project to JJ Fisher Construction, Inc. in the amount of \$122,187 for the two add-alternate elements; 2) Authorize the City Manager to approve change orders of 10% of the additional amount, \$12,218.70, for unanticipated costs during the construction phase of the Project; and 3) Approve two budget adjustment requests;
2. Do not approve staff's recommendations and request further information;
3. Modify staff's recommendation and approve; or
4. Provide direction to staff.

ADVANTAGES:

Adding the additional work at this time will provide for a more complete project, address some significant safety issues in highly traveled locations for pedestrians, and take advantage of mobilization and administration associated with the base project. The add – alternate elements have already been designed and competitively bid; completing those additional elements at this time is the most cost-effective approach to completing this previously identified necessary work.

DISADVANTAGES:

The funding for this additional work was not originally included in the FY 2023-24 budget. However, SLOCOG recently informed City staff that \$413,400 in USHA funding is available to the City once it amends its cooperative agreement with SLOCOG, which will come to Council for consideration at an upcoming meeting.

ENVIRONMENTAL REVIEW:

The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Class 1 Section 15301 Existing Facilities, Class 2 Section 15302 Replacement or Reconstruction, and Class 4 Section 15304 Minor Alterations of Land. City Council directed the City Clerk to file a [Notice of Exemption](#) at the [06/13/2023 City Council Meeting](#).

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Amended Contract
2. JJ Fisher Bid Item List
3. Bid Opening Log Sheet