

**STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**  
**FROM: GREG RAY, PUBLIC WORKS DIRECTOR/CITY ENGINEER**   
**SUBJECT: WEST GRAND AVENUE ENHANCEMENT PROJECT, PHASE 2: AWARD OF CONSTRUCTION CONTRACT AND SCHEDULING OPTIONS**

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**BACKGROUND**

The West Grand Avenue Enhancement Project, Phase 2, consists of street enhancements in the Downtown Core between 8<sup>th</sup> and 11<sup>th</sup> Streets. This project is similar to the Phase 1 project completed between 2<sup>nd</sup> and 4<sup>th</sup> Streets and includes landscaped medians, decorative crosswalks, accessible corner ramps, decorative concrete intersections, street trees, decorative street lights, street furniture, lighting and irrigation for the newly landscaped areas.

Bids for the project were opened on Wednesday, September 26<sup>th</sup>. The City received six bids ranging from \$938,141 to 1,318,707 for the Base Bid only. The lowest responsive bidder is Brough Construction. Brough's Base Bid is \$938,141. Their bid for Bid Alternate No. 1 is \$376,610 and for Bid Alternate No. 2 their bid is \$25,000. Staff is recommending award of the Base Bid only to Brough Construction. Staff is also recommending allocation of Gas Tax funds to the project to allow for the recommended award. Finally, staff is requesting City Council direction regarding the scheduled start of construction.

At the August 15, 2011 City Council meeting, staff presented Council with a plan to spend \$300,000 in State Highway Account (SHA) funds on median improvements in the project area scheduled to begin in late 2011. Then in September, staff learned that \$532,000 in State Transportation Improvement Program – Transportation Enhancement (STIP-TE) funds were available to be used for construction of this same project. While it allowed Council to expand the scope of the proposed project, additional time was required to process the project due to STIP-TE grant administration requirements and the need to complete additional environmental work. The California Transportation Commission (CTC) voted to authorize bidding the project at its June 27, 2012 meeting. Following the meeting the City was notified that the Federal Highway Administration (FHWA) had changed the requirements for use of Disadvantaged Business Enterprises (DBE) on projects. As a result the City was required to modify its DBE program and resubmit much of the paperwork previously submitted to the CTC. The FHWA finally authorized the funding on July 23, 2012, which allowed the City to advertise the project for bids.

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**APPROVED FOR FORWARDING**

  
\_\_\_\_\_  
**ROBERT PERRAULT**  
**CITY MANAGER**

**Please Review for the Possibility of a Potential Conflict of Interest:**

- |  |                                   |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> None Identified by Staff | <input type="checkbox"/> Bright   |
| <input type="checkbox"/> Shoals                              | <input type="checkbox"/> Molnar   |
| <input type="checkbox"/> Nicolls                             | <input type="checkbox"/> Peterson |

## **DISCUSSION**

### ***Project Scope and Bid Alternates***

In accordance with Council direction, the project consists of new decorative concrete crosswalks at 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> Streets, decorative concrete intersections at 9<sup>th</sup> and 10<sup>th</sup> Streets, landscaped medians and sidewalk street trees between 8<sup>th</sup> and 11<sup>th</sup> Streets, accessible corner ramps at all corners between 8<sup>th</sup> and 11<sup>th</sup> Streets, decorative street lights between 8<sup>th</sup> and 11<sup>th</sup> Streets, minor street repairs and minor sidewalk repairs throughout the project. Note that decorative street lights already exist between 10<sup>th</sup> and 11<sup>th</sup> Streets.

Previously Council approved separating the project into a Base Bid and a Bid Alternate. The purpose was to provide a base project that met Council objectives and could be constructed with the available budget, and a bid alternate to allow award of the remaining items if the bids were less than expected or if Council chose to allocate additional funding to the project. A second bid alternate has been included to provide a cost to start work in November, suspend work during December, and then resume work in January.

The base bid includes the landscaped medians, decorative concrete crosswalks and intersections, the backbone electrical and irrigation system, and minor street repairs. The first bid alternate includes the remainder of the work, including street trees, sidewalk repairs, decorative street lights and street furniture. Staff is recommending award of the Base Bid only. If Council chooses to award only the Base Bid, the remainder of the project would need to be completed at a later date.

### ***Project Funding Status***

Allocated funding for the project is as follows:

<b><u>Fund/Phase</u></b>	<b><u>Source</u></b>
\$685,370 Construction	comprised of \$532,000 TE funds, \$128,370 SHA funds, \$25,000 Water funds
\$74,000 Construction Contingency	SHA funds (recommending transfer to construction)
\$54,000 Construction Management and Inspection	SHA funds
<b>TOTAL FUNDING ALLOCATED</b>	<b>\$813,370.00</b>

The estimated costs to complete the Base Bid project are as follows:

Construction	\$938,141.20 (Low Bid)
Construction Contingency	\$74,000.00 (7.9 % of Low Bid)
Construction Management and Inspection	\$93,800.00 (10% of Low Bid)
<b>TOTAL CONSTRUCTION COST</b>	<b>\$1,105,941.00 (Base Bid Only)</b>

The estimated total construction cost for the Base Bid project is \$292,571 more than the funding allocated for construction. In order to proceed with award of the Base Bid, Council will need to allocate additional funding in the amount of \$292,571. Also, because \$74,000 in SHA grant funds are programmed for construction contingency, these funds could be left over if there are few change orders. Staff is recommending that the Council consider funding the contingency with local funds in order to assure all grant funds are used first. In this case, \$74,000 of SHA funds would be transferred to construction and \$74,000 of the newly allocated funding would be applied to contingency. Any portion of local contingency funding not used would be returned to the original account.

There are two sources of funding that could be used to fund the shortfall. The Gas Tax Fund has a sufficient unallocated balance to fund the Base Bid shortfall. Use of the Gas Tax fund would reduce the Fund balance in this fund to \$100,000 by year's end. CIP 283, the Local Street Rehabilitation Project, has \$309,179 allocated that could be transferred to this project. Draft resolutions have been prepared to authorize allocation of additional funding, as needed. Staff is recommending allocation of Gas Tax funds to the project in the amount of \$292,571 to allow award of the Base Bid. The primary reason for this recommendation is that it keeps the existing funding in the Local Street Rehabilitation Project which will allow the City to construct street repairs in accordance with the approved Capital Improvement Program.

If Council chose to award the Base Bid and Bid Alternate No. 1 the total estimated construction cost is \$1,520,226 and the budget shortfall would be \$706,856. To proceed, Council would need to allocate all of the available Gas Tax Fund balance and transfer \$240,633 from the Local Street Rehabilitation Project, CIP 283. This would essentially deplete both the Gas Tax Fund and the fund for the Local Street Rehabilitation Project this fiscal year.

### **Street Trees**

If Council chooses to award Bid Alternate No. 1, a number of existing street trees would be removed and new street trees would be planted in the sidewalk between 8<sup>th</sup> and 11<sup>th</sup> Streets. The approved West Grand Avenue Master Plan indicates that the sidewalk street tree will be the New Zealand Christmas Tree.

Staff has researched reported problems with this species and has determined that most problems are associated with outdated planting and watering practices. All street trees planted during this project will be planted with deep watering systems and root barriers to preclude damage to sidewalks and other nearby infrastructure.

### **Project Construction Schedule**

The STIP-TE grant requires the City to award the project by the end of December 2012 and to expend the funds within three years. The SHA funds must be expended as soon as possible, but no later than the end of the 2013 fiscal year as these funds were originally programmed to be expended in 2011.

If Council approves award of the construction contract at the October 1<sup>st</sup> meeting, actual construction on the project could begin in late November. After the City issues the Notice of Award, the contractor has 10 working days to return contracts and bonds. The City will then need a few days to review and approve the contracts and bonds prior to issuing a notice to proceed. Following the Notice to Proceed, the contractor has 30 calendar days to begin

mobilization which would be approximately November 12<sup>th</sup>. This allows the contractor time to purchase materials, to submit schedules, and to submit the traffic control plan. Based on the current schedule, it is likely that actual construction would begin in mid to late November. Bid Alternate No. 2 allows for a one-month scheduled work suspension during the month of December. The Contractor's bid amount for this alternate was \$25,000. If awarded, this would provide a fixed cost to maintain traffic control and erosion control while other work on the project is suspended.

There are a number of scheduling alternatives to consider. In meetings with local business owners, many have indicated they rely on a higher volume of customers during the holiday season from the day after Thanksgiving (November 23) to the first of the year. Also, historically the City receives the majority of its rainfall between December and March, with December being the greatest rainfall month. Because of the anticipated start date the project could be subject to weather delays resulting in work extending into the spring and summer seasons. Council could decide to begin work in late November and continue without delay until completion, which is estimated to be between four and five months. This would result in inconvenience to shoppers and business owners during the holiday season. Council could decide to start in November, suspend the project during December, and then restart in January for an additional three to four months. Given the anticipated start date of late November, it is likely the Contractor either wouldn't start at all, or would complete pavement demolition and trenching prior to the Thanksgiving Holiday. The street would then remain in this condition until January. Another alternative would be for the Council to authorize a delay for the start of construction until January. This would avoid the entire holiday season and avoid having the street torn up during a delay. Staff's recommendation is to delay the project start until January.

### **ALTERNATIVES**

The Council has the following alternatives to consider:

1. Award the construction contract for the Base Bid to the lowest responsive bidder, Brough Construction in the amount of \$938,141.20, delay the construction start date until January, and allocate Gas Tax Funding for the project in the amount of \$292,571; or
2. Award the construction contract and Council selected Bid Alternates to Brough Construction, provide direction to staff regarding the construction start date, and allocate additional funding, as needed from either the Gas Tax Fund balance or from CIP Project 283; or
3. Delay award of the project and provide additional direction to staff; or
4. Reject all bids, modify the project and re-advertise for bids as soon as possible.

### **RECOMMENDATION**

It is recommended that the Council: 1) adopt the Resolution awarding the Base Bid to Brough Construction in the amount of \$938,141.20; 2) delay the construction start date until January; 3) adopt the Resolution to allocate \$292,571 of additional funding for the project from the Gas Tax Fund balance (this includes funding the construction contingency); 4) authorize the City Manager to sign and affirm change orders to the project in amounts up to \$74,000 to be deducted from contingency; and 5) authorize the Mayor to execute the contract on behalf of the City.

### **FISCAL IMPACT**

Funding available for Phase 2 of the West Grand Avenue Enhancement Project includes \$300,000 in SHA funds and \$532,000 in STIP-TE funds. The STIP-TE funds require a \$68,000 local match. A portion of the match is funded by \$25,000 from the Water Enterprise Fund. Construction Management is funded by SHA funds in the amount of \$54,000. Contingency is funded by SHA funds in the amount of \$74,000. This leaves \$685,370 available for construction.

In order to award the Base Bid, meet the remaining local match requirement, and effectively fund the estimated construction management and testing costs, Council will need to allocate \$292,571 of additional funding to the project. Council could choose to allocate Gas Tax funds (Attachment 2) or transfer funds from CIP 283, the Local Street Rehabilitation Project (Attachment 4) to fund the balance of construction.

### **PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act.

### **ATTACHMENTS**

1. Resolution Authorizing Award of Contract
2. Resolution Amending the Annual Appropriation Resolution
3. Resolution Amending the Capital Improvement Program to appropriate Gas Tax Funds to CIP 385, West Grand Avenue Enhancement, Phase 2
4. Resolution Amending the Capital Improvement Program to transfer funds from CIP 283, Local Street Rehabilitation Program to CIP 385, West Grand Avenue Enhancement, Phase 2
5. West Grand Avenue Enhancement, Phase 2 Site Plan
6. Crosswalk and Intersection Detail

**RESOLUTION NO. 12-xx**

**RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF GROVER BEACH, CALIFORNIA,  
AWARDING THE WEST GRAND AVENUE ENHANCEMENT PROJECT, PHASE 2,  
FEDERAL PROJECT NUMBER RPSTPLE-5359(017)**

**WHEREAS**, the City of Grover Beach applied for funding from the federal STIP-TE program; and

**WHEREAS**, the City of Grover Beach was awarded funds from the STIP-TE program in the amount of \$532,000 with a required \$68,000 local match; and

**WHEREAS**, the City of Grover Beach applied for funding from the state Regional State Highway Account (RSHA) program; and

**WHEREAS**, the City of Grover Beach was awarded funds from the RSHA program in the amount of \$300,000; and

**WHEREAS**, the City Engineer has prepared plans for the West Grand Avenue Enhancement Project; and

**WHEREAS**, the City of Grover Beach received reasonable bids for the construction of this project on September 26, 2012; and

**WHEREAS**, the bid received from Brough Construction, Inc. was determined to be the lowest responsive bid.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Grover Beach, California, does hereby award the West Grand Avenue Enhancement Project, Phase 2, to the lowest responsive bidder Brough Construction, Inc. in the amount of \$938,141.20 for the Base Bid. An estimated \$93,800 in construction management cost and contingency amount of \$74,000 along with the bid price, combine for a total construction cost of \$1,105,941.20 for the above-named project; and

**BE IT FURTHER RESOLVED** that the City Council authorizes the City Manager to sign and affirm change orders to the above-named project in amounts up to \$74,000 to be deducted from said contingency and authorizes the Mayor to execute the contract on behalf of the City.

On motion by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

- AYES: Council Members -
- NOES: Council Members -
- ABSENT: Council Members -
- ABSTAIN: Council Members -

Resolution No. 12-\_\_\_\_  
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the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a Regular meeting of the City Council of the City of Grover Beach, California, this 1<sup>st</sup> day of October, 2012.

**DRAFT**  
\_\_\_\_\_  
JOHN P. SHOALS, MAYOR

Attest:

\_\_\_\_\_  
DONNA L. McMAHON, CITY CLERK

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, ADOPTING THE 2<sup>nd</sup> AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 12-60 BY PROVIDING FUNDING FOR GRAND AVENUE ENHANCEMENT PROJECT, PHASE 2

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GROVER BEACH:

THAT Section 1 of Part III of the Annual Appropriation Resolution No. 12-60 be and is hereby amended as follows:

		<u>Increase/(Decrease)</u>
TO:	CAPITAL IMPROVEMENT PLAN Project 385	\$ <u>292,571</u>
FROM:	RESERVES	( <u>\$292,571</u> )
	Total Section 1	\$ <u>-0-</u>

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

<u>Gas Tax Fund</u>		<u>Sources</u>	<u>Uses</u>
Resources/Uses:			
A/C No.: 02-385-4874	West Grand Ave., Phase 2	\$ -0-	\$ 218,571
A/C No.: 02-385-4871	West Grand Ave., Phase 2	\$ -0-	\$ 74,000
A/C No.: 02-000-2800	Fund Balance	<u>\$ 292,571</u>	<u>\$ -0-</u>
	Total Gas Tax Fund	<u>\$ 292,571</u>	<u>\$ 292,571</u>

THAT the purpose of this Resolution is to appropriate \$292,571 to provide funding for West Grand Avenue Enhancement Project, Phase 2.

THAT the balance in Gas Tax Fund after the adoption of this resolution would be \$173,652.

On motion by Council Member, second by Council Member, and on the following roll call vote, to wit:

AYES: Council Members -  
NOES: Council Members -  
ABSENT: Council Members -  
ABSTAIN: Council Members -

the foregoing Resolution was **PASSED, APPROVED, AND ADOPTED** at the Regular Meeting by the City Council of the City of Grover Beach, California, this 1<sup>st</sup> day of October 2012.

**DRAFT**  
\_\_\_\_\_  
JOHN P. SHOALS, MAYOR

ATTEST:

\_\_\_\_\_  
DONNA L. McMAHON, CITY CLERK

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) FOR FY 13 THROUGH FY 17

WHEREAS, the City Council of the City of Grover Beach adopted Resolution No. 12-40 approving the Five-Year Capital Improvement Program for the period of FY 13 through FY 17; and

WHEREAS, the City Council now wishes to amend the Five-Year Capital Improvement Program for the period of FY 13 through FY 17 to appropriate \$292,571 in Gas Tax Funds from the fund balance to fund the West Grand Avenue Enhancement Project, Phase 2, CIP 385, as shown in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Grover Beach DOES HEREBY amend the Five-Year Capital Improvement Program for the period of FY 13 through FY 17.

Upon motion by Council Member \_\_\_\_\_, second by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

- AYES: Council Members -
- NOES: Council Members -
- ABSENT: Council Members -
- ABSTAIN: Council Members -

the foregoing Resolution was PASSED, APPROVED, and ADOPTED at a regular meeting by the City Council of the City of Grover Beach, California this 1<sup>st</sup> day of October, 2012.

**DRAFT**  
\_\_\_\_\_  
JOHN P. SHOALS, MAYOR

Attest:

\_\_\_\_\_  
DONNA L. McMAHON, CITY CLERK

## CAPITAL IMPROVEMENT PROGRAM

### STREETS / STORM DRAINS

CIP 385: WEST GRAND AVENUE ENHANCEMENT-PHASE 2

GREG RAY, PUBLIC WORKS DIRECTOR

**Description:** Phase 2 will incorporate improvements along West Grand Avenue from 8th Street to 11th Street. Project will feature street rehabilitation and re-striping, decorative sidewalk and crosswalks, landscaped medians, decorative lighting and street furniture.

**Status:** Project is scheduled for construction in FY 2013.

**Total Budget FY 2013:** \$1,105,941

**Project Total:** \$1,217,195

Funding Source(s):	Prior** FY(S) Actual	FY 2012 Estimate	FY 2013 Budget	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected
<b>01 General</b>	\$0	\$25,730	\$0	\$0	\$0	\$0	\$0
4872 Design		\$25,730					
<b>02 Gas Tax</b>	\$0	\$0	\$292,571	\$0	\$0	\$0	\$0
4874 Construction			\$178,771				
4877 Management			\$39,800				
4871 Contingency			\$74,000				
<b>08 Local Transportation*</b>	\$0	\$43,630	\$788,370	\$0	\$0	\$0	\$0
4872 Design		\$34,630					
4874 Construction			\$734,370				
4877 Management		\$9,000	\$54,000				
4871 Contingency							
<b>06 Water</b>	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0
4872 Design							
4874 Construction			\$25,000				
<b>21 I.A. Area One</b>	\$41,894	\$0	\$0	\$0	\$0	\$0	\$0
4872 Design	\$41,894						
<b>Total All Funds</b>	<b>\$41,894</b>	<b>\$69,360</b>	<b>\$1,105,941</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*\$300,000 RSHA and \$532,000 STIP TE

\*\*FY 2010 and FY 2011

\*\*\*Funds may be allocated from the Local Street Rehabilitation Program (CIP 283)

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA AMENDING THE CAPITAL IMPROVEMENT PROGRAM (CIP) FOR FY 13 THROUGH FY 17

WHEREAS, the City Council of the City of Grover Beach adopted Resolution No. 12-40 approving the Five-Year Capital Improvement Program for the period of FY 13 through FY 17; and

WHEREAS, the City Council now wishes to amend the Five-Year Capital Improvement Program for the period of FY 13 through FY 17 to transfer \$292,571 from CIP 283, Local Street Rehabilitation Program, to CIP 385, West Grand Avenue Enhancement Project, Phase 2.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Grover Beach DOES HEREBY amend the Five-Year Capital Improvement Program for the period of FY 13 through FY 17.

Upon motion by Council Member \_\_\_\_\_, second by Council Member \_\_\_\_\_, and on the following roll-call vote, to wit:

- AYES: Council Members -
- NOES: Council Members -
- ABSENT: Council Members -
- ABSTAIN: Council Members -

the foregoing Resolution was PASSED, APPROVED, and ADOPTED at a regular meeting by the City Council of the City of Grover Beach, California this 1<sup>st</sup> day of October, 2012.

\_\_\_\_\_  
JOHN R. SHOALS, MAYOR

DRAFT

Attest:

\_\_\_\_\_  
DONNA L. McMAHON, CITY CLERK

**DOWNTOWN PROJECT - WEST GRAND AVENUE**  
CITY OF GROVER BEACH, CALIFORNIA  
SCHEMATIC MASTER PLAN - DECEMBER 30, 2009



**West Grand Avenue Enhancement, Phase 2**  
**SITE PLAN**



**INTERSECTION AND CROSSWALK DETAIL**  
(NOTE: DECORATIVE SIDEWALK NOT A PART)