



City Council Agenda Item

City Council Meeting Date: August 7, 2018

TO: Jim Throop, City Manager

FROM: Craig Dierling, Principal Civil Engineer
c_dierling@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6204(18) to Approve 2018 Cape Seal Project, Award Construction and Consulting Contracts, Authorize Contract Change Orders and Approve Supplemental Appropriations (Project No. FY-18-S-3)

Recommendation:

Staff recommends the City Council:

- 1) Adopt Resolution No. 6204(18) (Attachment 1) which will:
 - a. Adopt the Special Provisions for Project No. FY-18-S-3, 2018 Cape Seal Project (Project), as required by Section 22039 of the Public Contract Code (copies of Special Provisions are on file in the City Engineer's Office);
 - b. Award the Construction Contract in the amount of \$1,424,060 to American Pavement Systems, Inc. (Contractor);
 - i. Authorize the City Manager to execute the necessary agreements for the Construction Contract;
 - ii. Authorize the City Engineer, or designee, to approve additional construction costs and sign construction contract change orders in an amount not to exceed \$140,000;
 - c. Award the Consulting Contract for Construction Engineering Support, Materials Testing, and Supplemental Inspection (Consulting Contract) in the amount of \$59,718 to Asphalt Pavement & Recycling Technologies, Inc.;
 - i. Authorize the City Manager to execute the necessary agreements for the Consulting Contract;

- ii. Authorize the City Engineer to approve and sign Consulting Contract Change Orders in an amount not to exceed \$9,000.00; and
- d. Approve Supplemental Appropriations in Fiscal Years (FY) 2017-18 and 2018-19 to provide funding for the Project.

Background:

The Project is being implemented as a cost-effective component of the City of Lompoc's (City) ongoing capital project street rehabilitation program. The Project will restore the pavement surface of various City streets and certain other City facilities by applying asphalt rubber chip seal and/or Type II polymer modified slurry-seal or microsurfacing treatments, which extend the pavement life at several times less cost than a pavement overlay. (See Attachment 2 for streets and locations included in the Project work.)

Engineering staff applied for, and was awarded, a State of California grant from CalRecycle to fund \$1 per square yard of rubber chip seal, which is proposed to fund \$116,869 of Project chip seal construction.

If awarded, then the Project's construction phase should begin in September 2018 and should be completed in October/November 2018.

Discussion:

Construction Advertisement

The Project was noticed, advertised, and bid in accordance with the procedures of the Uniform Public Construction Cost Accounting Act (Public Contract Code sections 22000-22045), which has been incorporated into the Lompoc Municipal Code (LMC) within LMC Chapter 3.36.025 Procurement of Public Projects.

The Office of the City Clerk was available to receive bids for the Project until 2:00 p.m., Tuesday, July 17, 2018, at which time five bids were publicly opened and read. The bids received ranged from \$1,424,060 to \$1,796,690 (see Attachment 3). The Engineer's construction cost estimate prepared during design was in the range of \$1,200,000 to \$1,500,000. City Engineering Division staff reviewed the bids and found them to be responsive.

The Contractor (low bidder) made a minor error in the value of slurry seal and microsurfacing work it listed to be performed by its subcontractor on an informational page within its bid. The Contractor has provided the City a letter (Attachment 4) with a quote from its subcontractor for that work, in order to correct the error. The error does not change the bid price or the work to be performed. Chapter 4 "Subletting and Subcontracting" of the California Public Contract Code (PCC) makes provision for the

correction of certain errors in bids. The subject error by the Contractor is less significant than the errors which are specifically discussed within PCC Chapter 4. Staff finds the Contractor's bid responsive with the correction provided in the Contractor's letter.

Environmental

The Project has been determined Categorically Exempt under the California Environmental Quality Act (CEQA).

Design Engineering Support, Specification Refinement, and Staff Training

In order to better ensure optimum performance of the Project's paving materials, staff engaged expert consulting assistance to support the design engineering effort and refine the Project specifications. To keep those services cost-effective, the consultant's specification refinement was limited to the three specialized paving materials used by the Project: (i) asphalt rubber chip seal, (ii) polymer modified slurry seal, and (iii) microsurfacing. Utilizing such high-level consulting help, including a broad network of other experts in the fields of work included in the Project, allowed the City to complete a very good set of Project specifications. That consulting effort cost \$15,642.

In order to update and prepare the City's construction management and inspection staff with the best direction, resources, and tools to ensure the Contractor's high quality workmanship during construction, a pre-construction training package is being prepared by an expert in the field. That training will focus on how each member of the City's construction team can confirm and document the critical items in order to address issues immediately and effectively, while guiding the Project to the best possible outcome. Because the Project paving materials necessitate accuracy through a wide spectrum of parameters, as well as significant skill from the Contractor's workers, the pre-construction training will help the City guide the Contractor's work to higher quality, so the pavement surfacing materials will perform better and last longer, thereby adding significant value to the Project for the City. The pre-construction training is estimated to cost up to \$11,650.

Construction Engineering Support, Inspection, and Materials Testing

During the construction bid advertisement, staff also solicited a request for proposals from professional firms to provide construction engineering support, materials testing, and supplemental inspection services during construction. Staff has reviewed and ranked the two proposals received using qualifications-based selection procedures, and has selected Asphalt Pavement & Recycling Technologies, Inc. (APART), of Shafter, CA, as the first-ranked proposing consultant. APART will provide specialists to review submittals, materials, methods, and work product of the Contractor in order to ensure compliance with the contract documents and to help the City work with the Contractor to optimize the pavement surfacing work.

APART will also provide on-site inspectors on pavement surfacing days to monitor the operations and supplement City staff efforts. APART will also sample and test the pavement surfacing materials to ensure they comply with the contract documents. The estimated (time and materials) fee for APART's proposed construction engineering support, materials testing, and supplemental inspection services for the Project is projected to not exceed \$68,718. The not-to-exceed amount is composed of a base estimate of \$59,718 with \$9,000 proposed as a contingency in case additional work becomes necessary.

Fiscal Impact:

The Project was planned for completion during the 2017-19 fiscal cycle and the use of a combination of Gas Tax and Measure A resources for the design, planning, engineering, and construction of the Project was incorporated in the 2018 Measure A Program of Projects, as approved March 6, 2018, with the adoption of Resolution No. 6163(18). Project costs were not appropriated in the Biennial Budget FYs 2017-19 (Budget) at the time of the adoption of the Budget, as the scope and extent of the Project was not yet finalized and an estimated cost for the Project was not yet available during the preparation of the Budget. Road funding resources have now been identified to provide for the construction portion of the Project's primary scope within street right-of-ways. Non-road funding resources have been identified to provide for the construction portion of the Project's additional scopes of work to include pavement improvements at Ryon Park and the Dick DeWees Community & Senior Center (Center). The Ryon Park and Center improvements are funded with existing appropriations of Park and Community Center Development Impact Fee resources.

The Project's construction is proposed to be funded with various resources, as shown in Table 1 – Project Funding Summary, below. The resources for construction funding include:

Project construction within street right-of-ways include:

- Measure A Local Street and Transportation Improvement Funds;
- State Gas Tax Funds;
- State (CalRecycle) Rubberized Chip Seal Grant Funds.

Project construction not within street right-of-ways include:

- Accumulated Park Lease Revenues dedicated for park maintenance programs;
- Development Impact Fees – Park Improvement Program; and
- Development Impact Fees – Community and Recreation Centers Program.

August 7, 2018

Award of Project No. FY-18-S-3, 2018 Cape Seal Project

Page 5 of 8

Table 1 – Project Funding Summary				
Program	Acct. No.	Account Description	Source	Use
Streets	322-340990	Gas Tax – Fund Balance	\$535,000.00	
Streets	322S83-800700	Gas Tax – 18-S-3 Cape Seal Project — Construction		\$535,000.00
Streets	330-340990	Measure A – Fund Balance	976,301.00	
Streets	330S83-800700	Measure A – 18-S-3 Cape Seal Project — Construction		976,301.00
St Grant	318RSD-454710	State CalRecycle Rubber Chip Seal Grant Revenue	116,869.00	
St Grant	318S83-800700	State Grant – 18-S-3 Cape Seal Project — Construction		116,869.00
Parks	424-340990	Park Lease Maintenance Fund Program – Fund Balance	23,560.00	
Parks	424PLM-721120	Park Lease Maintenance Fund Program – Pioneer & Ryon Park Parking Lot Renovations		23,560.00
Impact Fees	424AB1-721120	Park Improvement Impact Fee Program – Parking Lot Improvements	9,500.00	
Impact Fees	424AB1-721120	Park Improvement Impact Fee Program – Parking Lot Renovations		9,500.00
Impact Fees	424AB2-721120	Recreation Centers Impact Fee Program – Parking Lot Renovations	8,840.00	
Impact Fees	424AB2-721120	Recreation Centers Impact Fee Program – Parking Lot Renovations		8,840.00
Totals			<u>\$1,670,070.00</u>	<u>\$1,670,070.00</u>

The proposed Project construction appropriations are as follows:

	<u>Amount</u>
Construction Contract	\$1,424,060
Construction Contract Contingency	140,000
Support Consultants and Contingencies	<u>106,010</u>
Total Construction Appropriations	<u>\$1,670,070</u>

\$1,628,170 or 97.5% of the Project’s funding and estimated Project costs are for street right of way improvements. Funding for the street right-of-way portion of the Project is primarily from Measure A and State Gas Tax funds. Measure A and State Gas Tax funds are available for the Project due to revenue received by and allocated to the City with the implementation of Senate Bill 1 (SB1). The City has received \$165,750 so far for FY

2017-18 and has been allocated approximately \$750,000 during the current FY 2018-19. Additionally, the City is projected to receive over \$1 Million annually in each future fiscal year. That SB1 funding has restored the City’s ability to perform street pavement capital projects which the City would not be able to perform without such an additional dedicated funding source. Such capital projects address a small portion of the City’s need for street rehabilitation work, currently projected at \$6 Million annually in order to maintain the City’s street pavement at its current condition using industry standard methods, as was discussed in the March 6, 2018 staff report for the Measure A Program of Projects. Street pavement capital projects provide the long-term improvements that most benefit the City’s street pavement network. However, the total of the City’s road funding resources prior to SB1 was insufficient for capital projects, being only just enough to cover the critical operations to address the routine safety and service needs of the City’s streets, sidewalks, street trees, and right-of-way areas.

Project management, planning, design, inspection, construction management, and other project administration work is provided by the City’s Engineering Division primarily through professional staff time. Staff time for street right-of-way work such as the majority of the Project is funded by the City’s road funding sources including Measure A, Gas Tax and a fixed allocation of General Fund resources. The General Fund is required to expend approximately \$390,000 per fiscal year for street and road costs to satisfy the State’s “Maintenance of Effort” requirement under Proposition 42 enacted in the early 2000s. Other “Maintenance of Effort” requirements apply to local Measure A funding as well as SB1 funding. Engineering Division staff time associated with the Project, related to the right-of-way improvements, is included in the costs eligible under the various Maintenance of Effort requirements.

As the Project was not included in the Budget, appropriations are required to provide for the proposed expenditures for the Project. The recommended supplemental appropriations are as follows:

Table 2 – Supplemental Appropriations			
Account No.		Account Name	Amount
From/ Decrease	322-340990	Gas Tax – Fund Balance	\$535,000.00
	330-340990	Measure A – Fund Balance	976,301.00
	318RSD-454710	State CalRecycle Rubber Chip Seal Grant Revenue	116,869.00
	424-340990	Park Lease Maintenance Program – Fund Balance	23,560.00
To/ Decrease	322S82-800700	Gas Tax – 18-S-3 Cape Seal Project — Construction	535,000.00
	330S83-800700	Measure A – 18-S-3 Cape Seal Project — Construction	976,301.00
	318S83-800700	State Grant – 18-S-3 Cape Seal Project — Construction	116,869.00
	424PLM-721120	Park Lease Maintenance Fund Program – Pioneer & Ryon Park Parking Lot Renovations	23,560.00

Approximately \$15,642 of Project costs have been expended on development of the Project prior to June 30, 2018. The majority of Project costs are anticipated to be expended during the construction phase of the Project. The proposed required supplemental appropriations are for FY 2017-18 and Resolution No. 6204(18) includes authority to carry forward unexpended funds for the full project to FY 2018-19.

Conclusion:

Awarding the Construction Contract to the Contractor; the Consulting Contract to APART; and approving the supplemental revenues and appropriations authorizing the expenditure of funds to complete the construction portion of the Project, is necessary in order to rehabilitate the proposed sections of pavement and extend its useful life.

Respectfully submitted,

Craig Dierling, Principal Civil Engineer

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Kevin P. McCune, P.E., Public Works Director

Teresa Gallavan, Economic Development Director/Assistant City Manager

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

August 7, 2018

Award of Project No. FY-18-S-3, 2018 Cape Seal Project

Page 8 of 8

- Attachments:
- 1) [Resolution No. 6204\(18\)](#)
 - 2) [Location Map](#)
 - 3) [Bidders List](#)
 - 4) [Correction Letter from Contractor](#)