

DATE: 12/21/99 AGENDA ITEM # 18
() APPROVED () DENIED
() CONTINUED TO _____

TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR *BL*
SUBJECT: AWARD OF BID: CDBG-FUNDED PARK STREET IMPROVEMENTS
DATE: DECEMBER 21, 1999

Needs: For the City Council to consider awarding the contract to the low bidder to construct street improvements (curb, gutter, sidewalk and some paving) in Park Street, between 28th and 34th Streets and possibly in front of 721 - 28th Street.

- Facts:
1. The City Council has approved the use of \$157,687 in 1997 Community Development Block Grant (CDBG) funds to construct street improvements along Park Street, between 28th and 34th Streets (and, if funds allow, in front of 721 - 28th Street). Attached is a map of existing improvements in the area, which also shows the locations where there are no improvements.
 2. The City has executed a contract with Cannon Associates in the amount of \$32,707 to prepare construction plans for this project. This leaves \$124,980 for construction of the improvements.
 3. Anticipating that the available funding would not be enough to do all of the needed work, the construction plans and bid documents divided the work into 7 sections as follows:

Section A	East side of Park Street, between 28 th and 30 th Streets;
Section B	East side of Park Street, between 30 th and 32 nd Streets;
Section C	East side of Park Street, between 32 nd and 34 th Streets;
Section D	West side of Park Street, between 28 th and 30 th Streets;
Section E	West side of Park Street, between 30 th and 32 nd Streets;
Section F	West side of Park Street, between 32 nd and 34 th Streets;
Section G	In front of 721 - 28 th Street.
 4. On November 23, 1999, the City opened bids from 5 contractors. A bid summary is attached.
 5. J. Madonna Construction of San Luis Obispo, with a total bid of \$219,561.10, is the lowest bidder for the full set (all 7 sections) of improvements. However, the lowest bidder varies as to which of the options are selected.
 6. According to the City Engineer, it is a standard practice for street improvement projects to budget an additional 10% for contingency costs. The amount needed to complete the entire job, if it is awarded to J. Madonna, is about \$242,000, or nearly \$120,000 more than the \$125,000 in CDBG funds currently available.
 7. At its meeting of December 7, 1999, the City Council continued action on this matter to December 21, in order that supplementary funding to enable the entire project to be completed might be identified.

Analysis and
Conclusion:

Possible supplementary funding sources include: (1) Public Housing Funds from the Housing Authority (half of since the subject street improvements are along the frontage of Oak Park Public Housing); and (2) a loan from the Capital Improvement Projects (CIP) budget for annual street overlays. In the latter case, the loan could be repaid from Year 2000 CDBG funds.

A request for Public Housing Funds will be made to the Housing Authority Board at its meeting of December 14, 1999. The decision of the Housing Authority Board will be verbally reported to the City Council at its meeting of December 21.

The Capital Improvement Projects budget for annual street overlay includes \$200,000 scheduled for Fiscal Year 2001/2002. If \$120,000 of this was to be loaned, and if the same amount was to be allocated from Year 2000 CDBG funds, the loan could be repaid in the Fall of 2000, 9 months prior to Fiscal Year 2001/2002.

The City expects to receive \$440,000 in CDBG funds in 2000. Of these, up to \$286,000 could be used for projects that benefit low income persons. (This is the funding category under which \$157,687 in CDBG funds are currently allocated to this project.) Since this project has already been approved for use of CDBG funds, and since a federal environmental document has already been completed on the entire project, it would be possible to use 2000 CDBG funds to reimburse the City for advanced supplementary funds.

Please note that CDBG funds cannot be allocated to a project until a draft spending plan has been circulated for public review for at least 30 days and a public hearing has been conducted on such a spending plan. For the 2000 CDBG Program, the draft spending plan will be circulated in late January and a public hearing is tentatively scheduled for the City Council's meeting of March 7, 2000. Hence, even if it would be the Council's intent to use CDBG funds to reimburse the City for advanced supplementary funds, a commitment to the reimbursement cannot be made at this time.

Should Public Housing Funds not be available or should the City Council decide not to appropriate CIP funds to supplement the \$125,000 in available CDBG funds for this project, only about 55% of the project can be undertaken at this time.

Options that made the most use of the \$125,000 in available CDBG funds have been identified. These options consist of combinations of the 7 sections that could be completed within the available amount of funding. The bid documents called for the bidders to identify their prices for each section.

At its meeting of August 10, 1999, the Paso Robles Housing Authority reviewed the construction plans, discussed the need for options due to limited funds, and directed Gene Bergman, Executive Director of the Housing Authority, to work with City staff to formulate options. After the bids were opened, City staff met with Gene Bergman and identified the following prioritization principles for Council's consideration:

- Any option to be considered must include improvements to at least one block on the east side of Park Street, with the block between 30th and 32nd Streets having the highest priority.

- The west side of Park Street, between 28th and 34th Streets, is the low side of the street, where storm water, mud and weeds collect. Construction of curb and gutter where there is currently none would do much to improve the quality of the neighborhood by eliminating standing water and eyesores.
- The west side of Park Street, south of 34th Street, and adjacent to Paso Robles Ford, is a heavily-traveled pedestrian route for school children. Without sidewalk, curb and gutter, this segment of the street currently collects storm water, mud and weeds. In addition to the benefit of neighborhood improvement, the construction of curb, gutter and sidewalk would make a substantial improvement to pedestrian safety.

Four alternatives, each of which can be funded from the available \$125,000, have been identified for the Council's consideration. Schematic maps that illustrate these options are attached. A brief summary of each alternative follows:

1. Construct improvements on the east side of Park Street, between 30th and 32nd Streets (Section B) and on the west side of Park Street, between 28 and 34th Streets (Sections D-F). For this option, Whitaker Contractors of Santa Margarita is the lowest bidder at \$110,153.20. Including contingency costs, the total cost for this option would be about \$121,200.
2. Construct improvements on the east side of Park Street, between 30th and 34th Streets (Sections B & C); on the west side of Park Street, south of 34th Street, adjacent to Paso Robles Ford (Section F); and in front of 721 - 28th Street (Section G). For this option, John Madonna Construction is the lowest bidder at \$111,736.10. Including contingency costs, the total cost for this option would be about \$123,000.
3. Construct improvements on the east side of Park Street, between 30th and 34th Streets (Sections B & C) and on the west side of Park Street, north of 30th Street (Section E). For this option, John Madonna Construction is the lowest bidder at \$108,143.00. Including contingency costs, the total cost for this option would be about \$119,000.
4. Construct improvements on the east side of Park Street, between 28th and 32nd Streets (Sections A & B) and in front of 721 - 28th Street (Section G). For this option, Sanchez Construction of Paso Robles is the lowest bidder at \$103,765.00. Including contingency costs, the total cost for this option would be about \$114,000.

Gene Bergman, Executive Director of the Housing Authority is recommending that funding be provided for Alternative 1.

Those sections that are not completed with the \$125,000 in 1997 CDBG funds could be undertaken with an allocation of 2000 CDBG funds. The design work for all 7 sections has already been completed. Since the funds would not become available until the Fall of 2000, the City would have to resolicit bids. City staff will prepare an application for 2000 CDBG funds for such a purpose for the Council's consideration in March 2000.


Policy
Reference: Federal regulations governing CDBG funds

Fiscal
Impact: If CIP Budget funds are loaned to the project, there is no guarantee that future CDBG funds will be allocated for reimbursement, as the City Council may not predetermine CDBG

allocations in advance of a public hearing with at least 30 days public notice, as required by federal regulations governing CDBG funds.

- Options:
- a. That the City Council adopt the attached resolution to appropriate \$120,000 from the Capital Improvement Project Budget – Street Overlays for Fiscal Year 2001/2002 and award the work to the lowest bidder for this option, J. Madonna Construction of San Luis Obispo, in the amount of \$219,561.10.
 - b. That the City Council consider one of the following alternatives:
 1. Adopt the attached resolution to select Alternative 1 and award the work to the lowest bidder for this alternative, Whitaker Contractors of Santa Margarita, in the amount of \$110,153.20.
 2. That the City Council select Alternative 2 and award the work to the lowest bidder for this alternative, J. Madonna Construction of San Luis Obispo, in the amount of \$111,736.10 and direct staff to prepare a resolution for Council adoption at the next regularly-scheduled Council meeting (January 4, 2000).
 3. That the City Council select Alternative 3 and award the work to the lowest bidder for this alternative, J. Madonna Construction of San Luis Obispo, in the amount of \$108,143.00 and direct staff to prepare a resolution for Council adoption at the next regularly-scheduled Council meeting (January 4, 2000).
 4. That the City Council select Alternative 4 and award the work to the lowest bidder for this alternative, Sanchez Construction of Paso Robles, in the amount of \$103,765.00 and direct staff to prepare a resolution for Council adoption at the next regularly-scheduled Council meeting (January 4, 2000).
 - c. That the City Council amend, modify or reject the above options.

Prepared By:


Ed Gallagher
Housing Programs Manager

Attachments:

1. **Resolution** Appropriating \$120,000 in \$120,000 from the Capital Improvement Project Budget – Street Overlays for Fiscal Year 2001/2002 and award the work to the low bidder
2. Map of Existing Improvements
3. Maps of Alternatives 1-4
4. **Resolution Awarding Construction** of Alternative 1 of CDBG-Funded Park Street Improvements to the Low Bidder
5. Bid Summary

RESOLUTION NO. 99-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROPRIATING UP TO \$120,000 IN CAPITAL IMPROVEMENT PROJECT BUDGET – STREET
OVERLAYS FOR FISCAL YEAR 2002/2002 AND AWARDING CONSTRUCTION OF CDBG-FUNDED PARK
STREET IMPROVEMENTS TO THE LOW BIDDER

WHEREAS, via, Resolution 98-68, the City Council has approved the appropriation of \$157,687 in 1997 Community Development Block Grant (CDBG) funds for the design and construction of street improvements in Park Street, between 28th and 34th Street, and in front of 721 – 28th Street; and

WHEREAS, \$32,707 in the appropriated \$157,687 in CDBG funds have been committed to the design of said street improvements, leaving \$124,980 for construction of said street improvements; and

WHEREAS, cost estimates prepared for the subject street improvements indicated that the full set of street improvements originally envisioned would cost more to construct than the \$124,980 of available uncommitted CDBG funds; and

WHEREAS, the bid opening for the construction of Park Street Improvements was held on November 23, 1999 and the lowest bid was submitted by J. Madonna Construction of San Luis Obispo for \$219,561.10; and

WHEREAS, it has been the City's custom that, for street improvement projects, an additional 10% of the bid amount be budgeted for contingencies, which would make the amount necessary to complete the entire project total approximately \$242,000, or nearly \$120,000 more than is available in 1997 CDBG funds; and

WHEREAS, via Resolution 98-171, the City Council allocated \$900,000 of Capital Improvement Program funds for Street Overlays between Fiscal Years 1998/1999 and 2001/2002; and

WHEREAS, \$200,000 of the \$900,000 allocated to Street Overlays is designated for use in Fiscal Year 2001/2002; and

WHEREAS, since the entire project has already been approved for use of CDBG funds, and since a federal environmental document has already been completed on the entire project, it would be possible to use Year 2000 CDBG funds to reimburse the City for any advanced supplementary funds; and

WHEREAS, the City Council is aware that it cannot pre-approve an allocation of CDBG fund from future years' entitlements in advance of conducting a public hearing on said future years' entitlements following a public notice period of not less than 30 days in accordance with federal regulations governing the CDBG program;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of El Paso de Robles as follows:

1. A transfer in the amount of \$120,000 from the Capital Improvement Program, Street Overlay Fund to the Community Development Block Grant Fund is hereby authorized.
2. A budget appropriation is approved in the amount of \$120,000 to Budget Account # 227-910-5452-454 to supplement funds already authorized for the construction of Park Street improvements.
3. That the City Council of the City of Paso Robles does hereby award the bid for the construction of the subject Park Street Improvements to the lowest bidder for these sections, J. Madonna Construction of San Luis Obispo, in the amount of \$219,561.10.
4. That the City Council of the City of Paso Robles does hereby authorize the City Manager to execute the construction contract

OPTION A

BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles to direct staff to file an application for Year 2000 CDBG funds for \$120,000 to reimburse the City for funds advanced to this project from the Capital Improvement Program, Street Overlay Fund.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 21st day of December, 1999, by the following roll call vote:

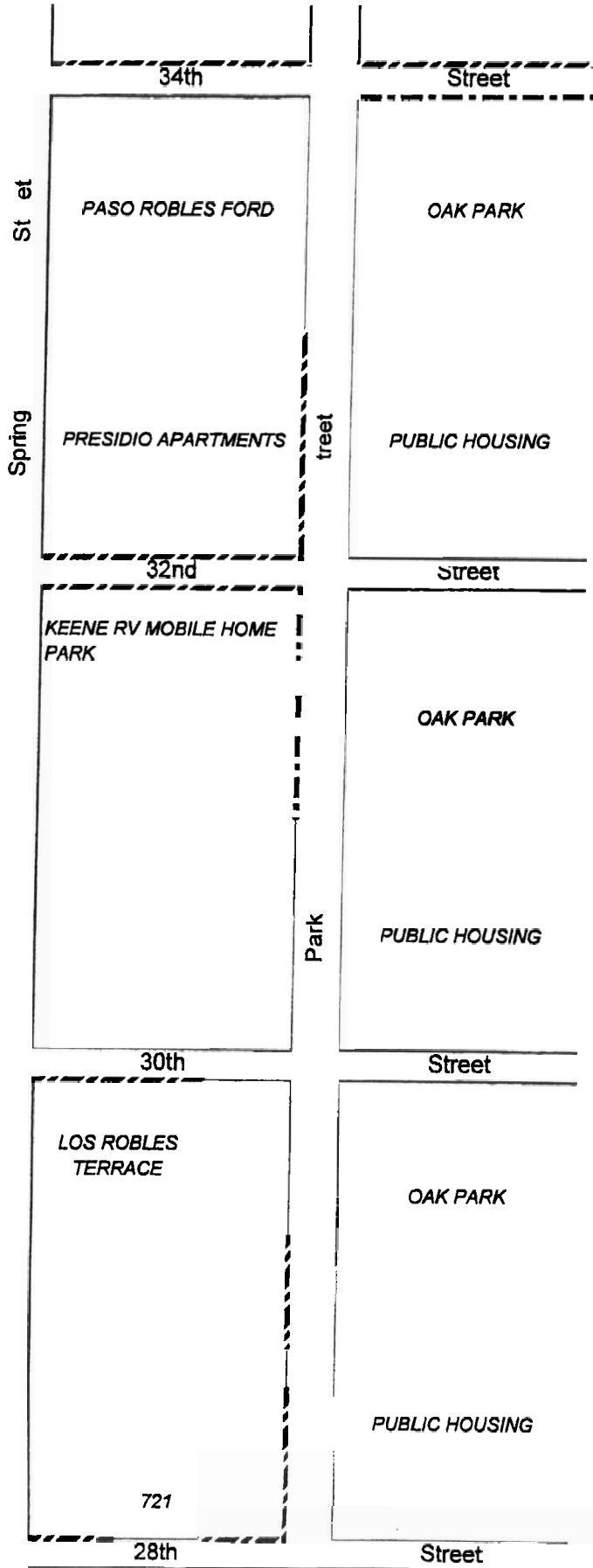
AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

**PARK STREET IMPROVEMENT PROJECT
EXISTING IMPROVEMENTS**

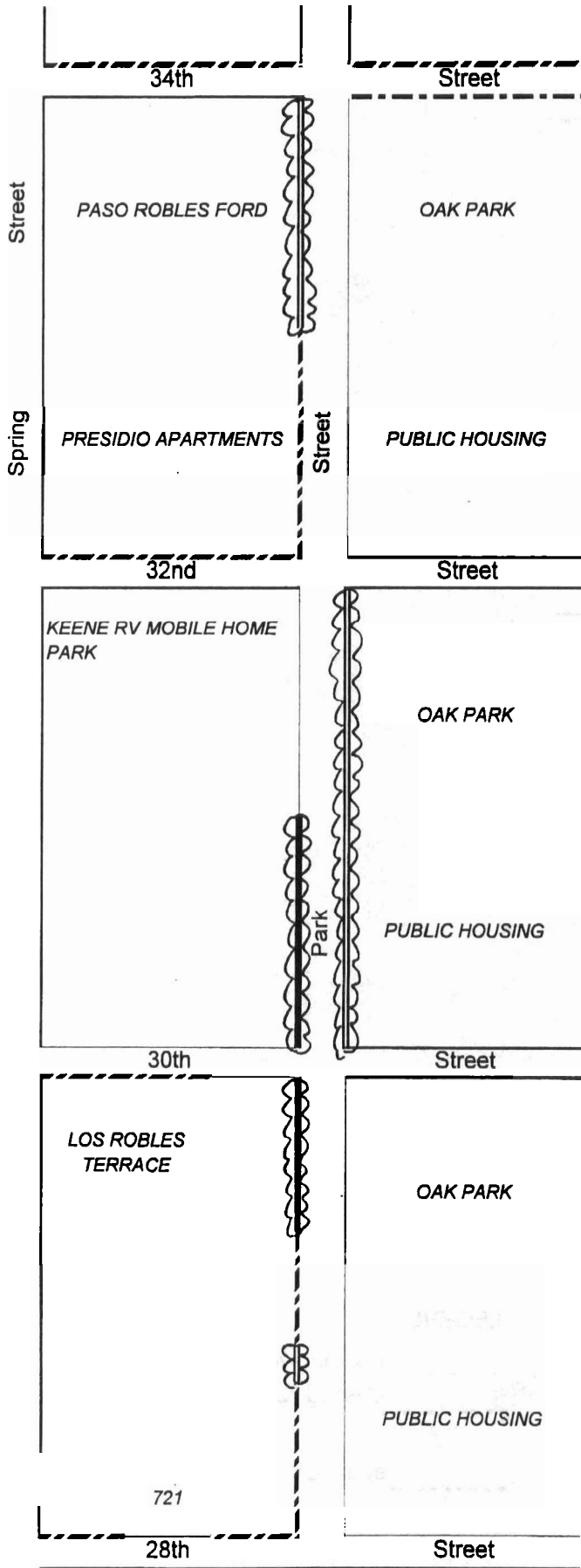


LEGEND

- _____ No improvements
- - - - - existing curb (and gutter)
- · - · - existing curb, gutter & Sidewalk

Spring St improvements are not shown



**PARK STREET IMPROVEMENT PROJECT
ALTERNATIVE 1**



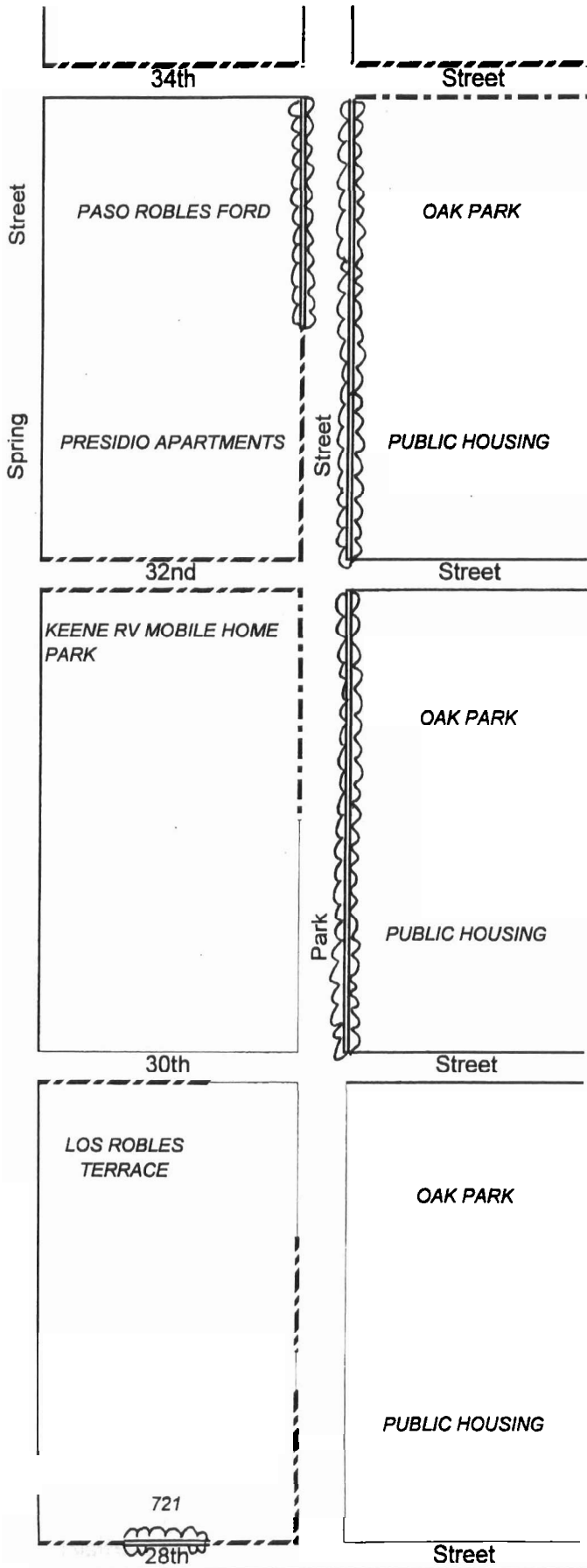
Alternative 1 consists of: (1) new curb and sidewalk along the east side of Park Street between 30th & 32nd Streets (no gutter needed on east side); (2) new curb, gutter and sidewalk along the west side of Park Street adjacent to Paso Robles Ford; and (3) new curb, gutter and sidewalk in front of 2835 Park Street; (4) new curb and gutter (but no sidewalk) on the west side of Park Street north and south of 30th Street.

Alternative 1 will cost \$121,200 (including 10% contingency). Total available funding is \$125,000. The lowest bidder for this option is Whitaker Contractors of Santa Margarita with a bid of \$110,153.20.

LEGEND

- _____ No improvements
- existing curb (and gutter)
- existing curb, gutter & sidewalk
-  new curb (gutter) & sidewalk
-  new curb & gutter (no sidewalk)

**PARK STREET IMPROVEMENT PROJECT
ALTERNATIVE 2**



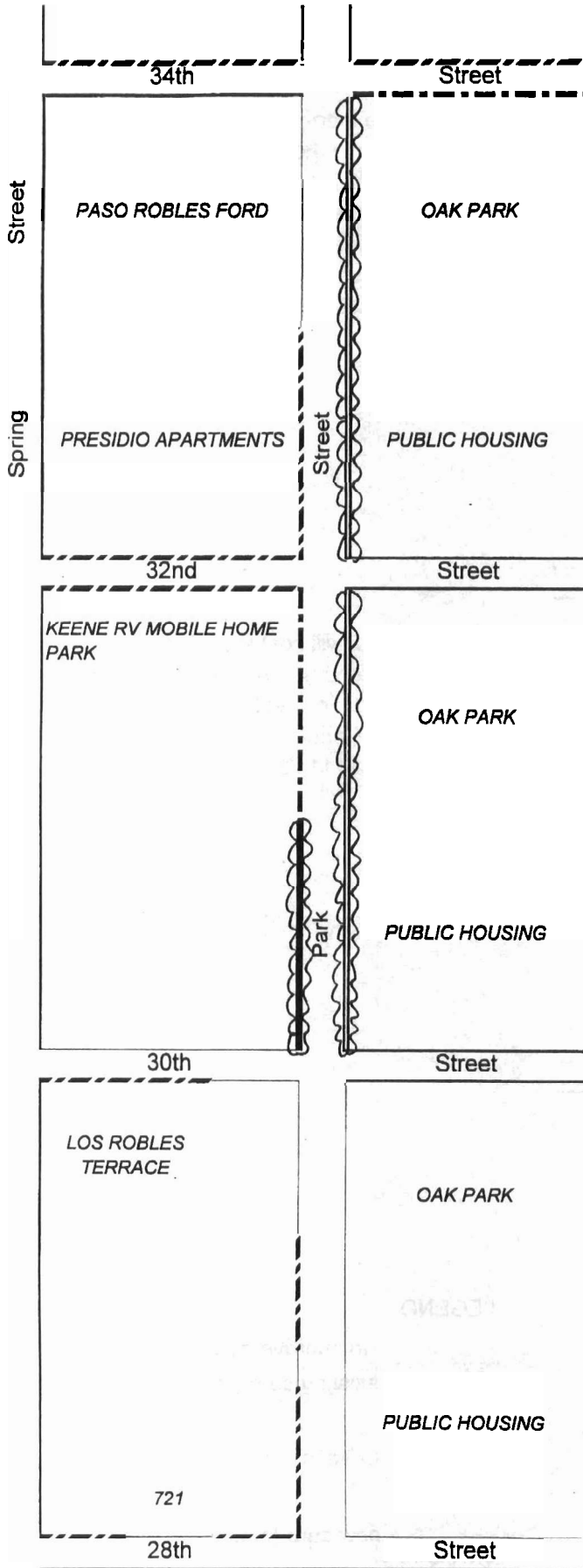
Alternative 2 consists of: (1) new curb and sidewalk along the east side of Park Street between 30th & 34th Streets (no gutter needed on east side); (2) new curb, gutter and sidewalk along the west side of Park Street adjacent to Paso Robles Ford; and (3) new curb, gutter and sidewalk in front of 721 - 28th Street.

Alternative 2 will cost \$123,000 (including 10% contingency). Total available funding is \$125,000. The lowest bidder for this option is J. Madonna Construction of San Luis Obispo with a bid of \$111,736.10.

LEGEND

- _____ No improvements
- - - - - existing curb (and gutter)
- . - . - . existing curb, gutter & sidewalk
- ~~~~~ new curb (gutter) & sidewalk

**PARK STREET IMPROVEMENT PROJECT
ALTERNATIVE 3**



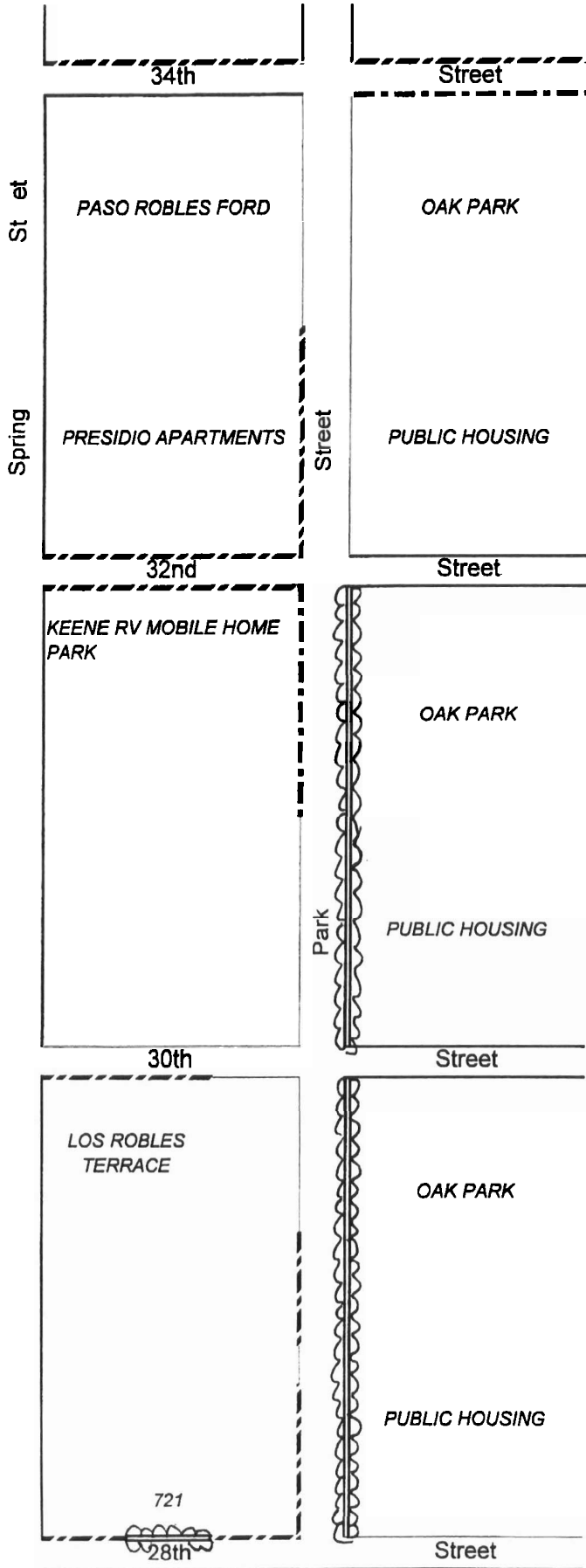
Alternative 3 consists of: (1) new curb and sidewalk along the east side of Park Street between 30th & 34th Streets (no gutter needed on east side); (2) new curb and gutter (but no sidewalk) on the west side of Park Street north of 30th Street.

Alternative 3 will cost \$119,000 (including 10% contingency). Total available funding is \$125,000. The lowest bidder for this option is J. Madonna Construction of San Luis Obispo with a bid of \$108,143.00.

LEGEND

- _____ No improvements
- - - - - existing curb (and gutter)
- . - . - existing curb, gutter & sidewalk
- ==== new curb (gutter) & sidewalk
- ===== new curb & gutter (no sidewalk)

**PARK STREET IMPROVEMENT PROJECT
ALTERNATIVE 4**



Alternative 4 consists of: (1) new curb and sidewalk along the east side of Park Street between 28th & 32nd Streets (no gutter needed on east side); (2) new curb, gutter and sidewalk in front of 721 - 28th Street.

Alternative 4 will cost \$114,000 (including 10% contingency). Total available funding is \$125,000. The lowest bidder for this option is Sanchez Construction of Paso Robles with a bid of \$103,765.00.

- LEGEND**
- _____ No improvements
 - existing curb (and gutter)
 - - - - - existing curb, gutter & sidewalk
 - ~~~~~ new curb (gutter) & sidewalk
 - ===== new curb & gutter (no sidewalk)

RESOLUTION NO. 99-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
AWARDING CONSTRUCTION OF ALTERNATIVE 1 OF CDBG-FUNDED PARK STREET
IMPROVEMENTS TO THE LOW BIDDER

WHEREAS, via, Resolution 98-68, the City Council has approved the appropriation of \$157,687 in 1997 Community Development Block Grant (CDBG) funds for the design and construction of street improvements in Park Street, between 28th and 34th Street, and in front of 721 – 28th Street; and

WHEREAS, \$32,707 in the appropriated \$157,687 in CDBG funds have been committed to the design of said street improvements, leaving \$124,980 for construction of said street improvements; and

WHEREAS, cost estimates prepared for the subject street improvements indicated that the full set of street improvements originally envisioned would cost more to construct than the \$124,980 of available uncommitted CDBG funds; and

WHEREAS, in order to formulate a set of components of the project that could be constructed with the \$124,980 of available uncommitted CDBG funds, the construction plans subdivided the project into seven (7) sections; and

WHEREAS, the Notice Inviting Sealed Bids circulated for this project called for bidders to submit individual bids for seven (7) sections, as well as a grand total amount; and

WHEREAS, the bid opening for the construction of Park Street Improvements was held on November 23, 1999; and

WHEREAS, City staff formulated four alternatives consisting of combinations of the seven (7) sections that could be completed within the \$124,980 of available uncommitted CDBG funds, given the amounts quoted in the bids received on November 23, 1999; and

WHEREAS, acting on the direction of the Board of Directors for the Housing Authority of the City of Paso Robles given at its meeting of August 10, 1999, the Executive Director has recommended the following principles shall be used to determine the priority for constructing said street improvements:

1. Any alternative to be considered must include improvements to at least one block on the east side of Park Street, with the block between 30th and 32nd Streets having the highest priority;
2. The west side of Park Street, between 28th and 34th Streets, is the low side of the street, where storm water, mud and weeds collect; construction of curb and gutter where there is currently none would do much to improve the quality of the neighborhood by eliminating standing water and eyesores;
3. **The west side of Park Street, south of 34th Street, adjacent to Paso Robles Ford is a heavily-traveled pedestrian route for school children; without sidewalk, curb and gutter, this segment of the street currently collects storm water, mud and weeds; in addition to the benefit of neighborhood improvement, the construction of curb, gutter and sidewalk would make a substantial improvement to pedestrian safety;**

OPTION B

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Paso Robles as follows:

1. That the prioritization principles recommended by the Executive Director Housing Authority of the City of Paso Robles shall be used as the basis upon which to determine the priority for selecting sections of the street improvement work to be funded with the \$124,980 of available uncommitted CDBG funds.
2. That the City Council of the City of Paso Robles does hereby select Alternative 1, consisting of the following sections of street improvement work as described in the improvement plans and bid documents:

Section B	East side of Park Street, between 30th and 32nd Streets;
Section D	West side of Park Street, between 28 th and 30 th Streets;
Section E	West side of Park Street, between 30th and 32nd Streets;
Section F	West side of Park Street, between 32nd and 34th Streets.
3. That the City Council of the City of Paso Robles does hereby award the bid for the construction of Alternative 1, consisting of Sections B, D, E, and F to the lowest bidder for these sections, Whitaker Contractors of Santa Margarita, in the amount of \$110,153.20.
4. That the City Council of the City of Paso Robles does hereby authorize the City Manager to execute the construction contract

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 21st day of December, 1999, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

**PARK STREET IMPROVEMENT PROJECT
BID SUMMARY**

Complete Job (7 Sections)

Section	Street Segment	J. Madonna Construction	Whitaker Contractors	Sanchez Company	A. Madonna Construction	Souza Construction
A	e/s Park, 28th - 30th	55,630.00	57,573.50	52,100.00	69,850.00	73,497.00
B	e/s Park, 30th - 32nd	40,235.00	36,375.75	41,125.00	46,530.00	45,422.00
C	e/s Park, 32nd - 34th	39,550.00	48,045.00	47,640.00	46,550.00	48,660.00
D	w/s Park, 28th - 30th	23,837.00	21,671.45	33,308.00	25,626.00	27,920.00
E	w/s Park, 30th - 32nd	28,358.00	30,102.00	36,940.00	34,820.00	37,245.00
F	w/s Park, 32nd - 34th	23,462.00	22,004.00	27,345.00	28,865.00	30,876.00
G	721 - 28th	8,489.10	10,134.75	10,540.00	11,210.00	16,124.00
Total		219,561.10	225,906.45	248,998.00	263,451.00	279,744.00

Alternative 1 (Sections B, D, E & F)

Section	Street Segment	J. Madonna Construction	Whitaker Contractors	Sanchez Company	A. Madonna Construction	Souza Construction
B	e/s Park, 30th - 32nd	40,235.00	36,375.75	41,125.00	46,530.00	45,422.00
D	w/s Park, 28th - 30th	23,837.00	21,671.45	33,308.00	25,626.00	27,920.00
E	w/s Park, 30th - 32nd	28,358.00	30,102.00	36,940.00	34,820.00	37,245.00
F	w/s Park, 32nd - 34th	23,462.00	22,004.00	27,345.00	28,865.00	30,876.00
Total		115,892.00	110,153.20	138,718.00	135,841.00	141,463.00

Alternative 2 (Sections B, C, F & G)

Section	Street Segment	J. Madonna Construction	Whitaker Contractors	Sanchez Company	A. Madonna Construction	Souza Construction
B	e/s Park, 30th - 32nd	40,235.00	36,375.75	41,125.00	46,530.00	45,422.00
C	e/s Park, 32nd - 34th	39,550.00	48,045.00	47,640.00	46,550.00	48,660.00
F	w/s Park, 32nd - 34th	23,462.00	22,004.00	27,345.00	28,865.00	30,876.00
G	721 - 28th	8,489.10	10,134.75	10,540.00	11,210.00	16,124.00
Total		111,736.10	116,559.50	126,650.00	133,155.00	141,082.00

Alternative 3 (Sections B, C & E)

Section	Street Segment	J. Madonna Construction	Whitaker Contractors	Sanchez Company	A. Madonna Construction	Souza Construction
B	e/s Park, 30th - 32nd	40,235.00	36,375.75	41,125.00	46,530.00	45,422.00
C	e/s Park, 32nd - 34th	39,550.00	48,045.00	47,640.00	46,550.00	48,660.00
E	w/s Park, 30th - 32nd	28,358.00	30,102.00	36,940.00	34,820.00	37,245.00
Total		108,143.00	114,522.75	125,705.00	127,900.00	131,327.00

Alternative 4 (Sections A, B & G)

Section	Street Segment	J. Madonna Construction	Whitaker Contractors	Sanchez Company	A. Madonna Construction	Souza Construction
A	e/s Park, 28th - 30th	55,630.00	57,573.50	52,100.00	69,850.00	73,497.00
B	e/s Park, 30th - 32nd	40,235.00	36,375.75	41,125.00	46,530.00	45,422.00
G	721 - 28th	8,489.10	10,134.75	10,540.00	11,210.00	16,124.00
Total		104,354.10	104,084.00	103,765.00	127,590.00	135,043.00