

TO: Thomas Frutche, City Manager  
Dick McKinley, Public Works Director

FROM: Ditas Esperanza, Capital Projects Engineer

SUBJECT: Construction Contract for the Union Road Repairs – Golden Hill to Highway 46 East Project

DATE: June 7, 2016

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Needs: For the City Council to award the construction contract to repair Union Road – Golden Hill to Highway 46 East.

Facts:

1. On April 2, 2014, the SLOCOG Board programmed \$877,000 from a Congestion Mitigation Air Quality (CMAQ) Grant towards the Union Road – Golden Hill to Highway 46 East Project.
2. In addition, the City Council included the road segment to be repaired using Supplemental Sales Tax.
3. The road improvement is similar to the existing section of Union Road, between Montebello Oaks and Golden Hill Road.
4. The City Council recently approved a hotel to be constructed, at the corner of Union Road. With that approval, the applicant will be installing road improvements along the project frontage.
5. The City's project and the Developer's project are compatible in that the City's project ends before the Developer's project begins. Depending on the final design the City approves for the Developer's work, the Developer may install raised medians on top of the City's new pavement. The possibility that these medians may have landscaping does not affect the importance of proceeding now with the pavement of the City's project.
6. Staff prepared Bid Documents and at the bid opening on April 21, 2016, received six (6) bids as follows:

Calportland Construction.....	\$ 596,312.15
JJ Fisher Construction.....	\$ 616,719.50
Souza Construction.....	\$ 685,500.00
R. Burke Corporation.....	\$ 777,161.40
Whitaker Construction.....	\$ 790,809.30
Papich Construction.....	\$ 815,990.00

Analysis &  
Conclusion: Staff reviewed the bid submitted by Calportland Construction, in the amount of \$596,312.15, and found it to be a responsive and responsible bid.

Policy

Reference: Supplemental Sales Tax Expenditure Plan

Fiscal

Impact: The budget adopted for this project is summarized below:

CMAQ Grant.....	\$ 877,000
Supplemental Sales Tax.....	<u>\$ 623,000</u>
	\$1,500,000

To date, \$100,000 has been spent on design and preliminary work, leaving a balance of \$1,400,000 for the construction phase. Note that there is a second item for construction management services which are \$172,000 (a bit higher than normal because this is a Federal Aid project).

- Options:
- A. Direct the City Manager to execute a construction contract with Calportland, in the amount of \$596,312.15, plus 10% contingency for a total of \$656,000; or
  - B. Amend, modify, or reject the above option.