



Council Agenda Report

Item 6n

Department: Public Works
Cost Center: 5010
For Agenda of: 7/20/2021
Placement: Consent
Estimated Time: N/A

FROM: Matt Horn, Public Works Director

Prepared By: Jennifer Rice, Transportation Planner/Engineer III

SUBJECT: AUTHORIZATION TO AWARD THE TANK FARM ROAD AND ORCUTT ROAD ROUNDABOUT PROJECT, SPECIFICATION NUMBER 1000164

RECOMMENDATION

1. Award the construction contract for the Tank Farm Road and Orcutt Road Roundabout, Specification Number 1000164 to Souza Engineering Contracting Inc. DBA Souza Construction in the amount of \$3,504,179; and
2. Authorize the City Manager to approve future construction contract change orders in excess of \$100,000, if within the project construction contingency budget of \$525,627.

DISCUSSION

Background

On June 1, 2021, the City Council authorized staff to advertise for construction bids for the Tank Farm Road and Orcutt Road Roundabout (Attachment A) and to authorize the City Manager to award the contract if the lowest responsible bid is below the Publicly Disclosed Funding Amount of \$3,477,710.

On July 1, 2021, two bids were received (Attachment B). Souza Engineering Contracting Inc. had the lowest responsible bid of \$3,504,175.88. As the total bid exceeds the previously authorized amount of \$3,477,710 by approximately \$30,000, staff is returning to City Council to request authorization to award the contract. Staff has evaluated the bids and recommends award of the contract since the lowest responsive bid submitted by a responsible contractor is within 0.8% of the Publicly Disclosed Funding Amount.

Previous Council or Advisory Body Action

On June 1, 2021, the City Council authorized staff to advertise for bids for the Tank Farm Road and Orcutt Road Roundabout.

Policy Context

The City's Purchasing Policy require the City Council to award a contract if the lowest responsible bidder is over the previously authorize Council amount.

Public Engagement

All public meetings noted above were properly noticed and held at the time in the manner required by law. This staff report was published for public review one week prior to this Council meeting date.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action of awarding the contract does not constitute a "Project" under CEQA Guidelines Sec. 15378. The subject project, however, has been evaluated and found to be consistent with the requirements of the Orcutt Area Specific Plan Final Environmental Impact Report (FEIR) certified and adopted by the City Council on March 2, 2010, and the Initial Study/Mitigated Negative Declaration adopted by the City Council on May 19, 2015 for the Righetti Ranch Vesting Tentative Map 3063.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2020-21

Funding Identified: Yes

Fiscal Analysis:

| Funding Sources | Total Budget Available | Current Funding Request | Remaining Balance | Annual Ongoing Cost |
|------------------------|-------------------------------|--------------------------------|--------------------------|----------------------------|
| Local Revenue Measure | \$916,310 | \$0 | \$0 | \$ |
| SLCOG USHA Grant | \$994,670 | \$0 | \$0 | |
| SLOCOG RSHA Grant | \$370,000 | \$0 | \$0 | |
| Citywide TIF | \$2,603,596 | \$0 | \$0 | |
| Other: | | | | |
| Total | \$4,884,576 | \$0 | \$0 | \$ |

| Orcutt/Tank Farm Roundabout, Specification No. 1000164 | | | | | | |
|--|-------------------------------------|--------------------|------------------------------|----------------------|-------------------------|-----------------------|
| | 2019-21 Financial Plan (1000164) | | 2017-19 Financial Plan | Urban SHA (Grant) | Regional SHA (Grant) | Project Total Costs |
| | Local Revenue Measure | Citywide TIF | Citywide TIF | Capital Outlay | Capital Outlay | |
| Construction Bid | \$453,614 | \$1,682,298.88 | \$3,596 | \$994,670 | \$370,000 | \$3,504,178.88 |
| Contingencies | \$0 | \$525,626.83 | \$0 | \$0 | \$0 | \$525,626.83 |
| Construction Costs | \$453,614 | \$2,207,926 | \$3,596 | \$994,670 | \$370,000 | \$4,029,805.71 |
| Construction Management: | \$462,696 | \$137,304 | | | | \$600,000 |
| Const. Support (Design) | | \$50,000 | | | | \$50,000 |
| Public Relations: | | \$20,000 | | | | \$20,000 |
| Printing: | | \$1,000 | | | | \$1,000 |
| Other Costs | \$462,696 | \$208,304 | \$0 | \$0 | \$0 | \$671,000 |
| Total Project Costs | \$916,310 | \$2,416,230 | \$3,596 | \$994,670 | \$370,000 | \$4,700,805.71 |
| Current Project Balance: | \$916,310 | \$2,600,000 | \$3,596 | \$994,670 | \$370,000 | \$4,884,576 |
| Additional Funding: | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Balance: | \$0 | \$183,770 | \$0 | \$0 | \$0 | \$183,770.29 |

Total construction costs (low bid plus a contingency of 15% of the construction bid) is \$4,029,805.71. The current project balance is \$4,884,576 which is sufficient budget to cover the total project costs and have an estimated remaining balance of \$183,770.29 after accounting for other related costs (i.e. construction management, construction design support, communications, printing, etc.).

ALTERNATIVES

The City Council could deny the request to award the project. Staff does not recommend this as this is a high priority transportation project and immediate delay to the project could cause significant delay in that the project has jurisdictional seasonal working windows that may be missed with further delay which would push the start of construction into the Spring of 2022.

ATTACHMENTS

- A – Council Agenda Report from June 1, 2021
- B – Bid Results
- C – Draft Agreement with Souza Engineering Contracting Inc.