

ITEM 4.5

CITY MANAGER'S REPORT SEPTEMBER 13, 2021 CITY COUNCIL REGULAR MEETING

**ITEM: ACCEPTANCE OF PUBLIC IMPROVEMENTS
CONSTRUCTED BY MIKE BROWN ELECTRIC CO. FOR
TRAFFIC SIGNAL INSTALLATION – INTERSECTION
OF GOLDEN VALLEY PARKWAY & SPARTAN WAY, CIP
PS 18-03**

**RECOMMENDATION: Adopt Resolution Accepting Public Improvements
Constructed by Mike Brown Electric Co. for Traffic
Signal Installation – Intersection of Golden Valley
Parkway & Spartan Way, CIP PS 18-03, Authorize the
Filing of a Notice of Completion, Release of Contract
Retention, Release of Performance and Payment
Bonds, and Approve Related Budget Amendment**

SUMMARY:

Mike Brown Electric Co. has completed the construction of the Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, Capital Improvement Project (CIP) PS 18-03. Staff has inspected the improvements and has deemed these improvements complete and in accordance with the approved plans and specifications.

Mike Brown Electric Co. has submitted lien releases confirming all sub-contractors and suppliers have been paid in full, and a one-year warranty bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the improvements constructed by Mike Brown Electric Co. for the Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Mike Brown Electric Co. in the amount of \$33,833 within forty-five (45) days after the recording of the Notice of Completion, release of performance and payment bonds, and approve related budget amendment.

BACKGROUND:

On May 11, 2020, City Council awarded a construction contract to Mike Brown Electric Co. for improvements pursuant to Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03. The project included the installation of a traffic signal with an ITERIS video detection system and conduits for future interconnection to proximal signals, improved traffic control devices such as signage and striping, pedestrian controls, and a slurry seal application.

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ELECTRIC CO. FOR TRAFFIC SIGNAL INSTALLATION – INTERSECTION OF
GOLDEN VALLEY PARKWAY & SPARTAN WAY, CIP PS 18-03

The project was largely funded by the Federal Highway Administration through a Congestion Mitigation and Air Quality (CMAQ) grant in the amount of \$400,000 and by the Central Lathrop developer Saybrook CLSP, LLC, whose proportionate share was \$180,000.

The awarded contract was for \$599,495, and a 10% construction contingency of \$59,950 was authorized for staff to use as necessary to achieve the goals of the project. The total construction budget for the project was \$675,000. During construction, contract change orders totaling \$77,164 were issued for a final contract amount of \$676,659. The costs referenced below capture all project expenditures.

Project Costs are as follows:

A. Construction Contract	\$599,495
B. Approved Change Orders	\$ 77,164
C. Design, Construction Management, Inspection, Testing & Miscellaneous Project Management	<u>\$ 12,587</u>
Total Project Costs	\$689,246
Total Project Budget	\$675,000

Mike Brown Electric Co. completed the construction of the project within the original contract time frame and staff has inspected the improvements and deemed them complete and in accordance with the approved plans, specifications, and City of Lathrop standards. The project costs reflected in the table have captured all expenditures to date. The project may incur additional costs during the project closeout process, including the warranty period.

Staff requests City Council accept the public improvements constructed by Mike Brown Electric Co. for Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Mike Brown Electric Co. in the amount of \$33,833 within forty-five (45) days after the recording of the Notice of Completion, release of performance and payment bonds, and approve a budget amendment transferring \$54,000 to the project. Staff requests that unused funds be transferred back into the Gas Tax Fund (2030).

REASON FOR RECOMMENDATION:

Mike Brown Electric Co. completed the project pursuant to the contract documents dated May 11, 2020. Staff has inspected the improvements and deemed them complete and in accordance with City standards. The performance and payment

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bonds (Bond No. 070211460, \$599,495) will be released and replaced with a one-year warranty bond (Bond No. 070211460, \$67,666) upon City Council’s acceptance of the improvements. The warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements. Mike Brown Electric Co. has also provided the necessary lien releases for the materials supplied and completed work.

FISCAL IMPACT:

The final construction contract amount with Mike Brown Electric Co. was for \$599,495. A 10% construction contingency in the amount of \$59,950 was authorized for staff to use as necessary to achieve the goals of the project. The total construction budget for the project was \$659,445.

The amount of \$450,000 was included in the FY 19/20 Budget for Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03, \$400,000 of which was received from a CMAQ Federal grant used for construction. To date, \$360,991 has been approved by Caltrans for payment. The additional \$39,009 will be reimbursed to the City following payment of retention to the Contractor, as the City is required to spend local funds prior to receiving reimbursement. The developer, Saybrook CLSP, LLC, contributed \$180,000 towards construction of the project as a required condition of the Central Lathrop Specific Plan (CLSP) Tract 3789 large lot final map. On May 11, 2020, City Council approved a budget amendment transferring \$45,000 towards the project to support the total construction budget.

Adequate funds have not been allocated in the FY 21/22 budget to close out the project. Staff requests a budget transfer of \$54,000 from the Gas Tax Fund (2030) Highway Users Tax Account (HUTA), \$39,009 of which is reimbursable, as follows:

<u>Increase Transfer Out</u>		
2030-9900-990-9010		\$54,000
 <u>Increase Transfer In</u>		
3310-9900-393-0000	PS 18-03	\$54,000
 <u>Increase Expenditures</u>		
3310-8000-420-1200	PS 18-03	\$54,000

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GOLDEN VALLEY PARKWAY & SPARTAN WAY, CIP PS 18-03

ATTACHMENTS:

- A. Resolution Accepting Public Improvements Constructed Mike Brown Electric Co. for Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds, and Approve Related Budget Amendment
- B. Notice of Completion –Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03
- C. Project Vicinity Map – Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way, CIP PS 18-03

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GOLDEN VALLEY PARKWAY & SPARTAN WAY, CIP PS 18-03

APPROVALS:



Ken Reed
Senior Construction Manager

8-31-2021
Date



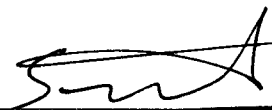
Michael King
Public Works Director

9.1.2021
Date



Cari James
Finance and Administrative
Services Director

9/1/2021
Date



Salvador Navarrete
City Attorney

9-7-2021
Date



Stephen J. Salvatore
City Manager

9.7.21
Date

RESOLUTION NO. 21 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING IMPROVEMENTS CONSTRUCTED BY MIKE BROWN ELECTRIC CO. FOR TRAFFIC SIGNAL INSTALLATION – INTERSECTION OF GOLDEN VALLEY PARKWAY & SPARTAN WAY CIP PS 18-03, AUTHORIZE THE FILING OF A NOTICE OF COMPLETION, AND RELEASE CONTRACT RETENTION AND PERFORMANCE & PAYMENT BONDS, AND* APPROVE RELATED BUDGET AMENDMENT

WHEREAS, on May 11, 2020, City Council awarded a construction contract to Mike Brown Electric Co. for the construction of Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way CIP PS 18-03; and

WHEREAS, the project included the installation of a traffic signal with a video detection system and conduits for future interconnection to proximal signals, improved traffic control devices such as signage and striping, pedestrian controls, and a slurry seal application to three approaches to the intersection; and

WHEREAS, the project was largely funded by the Federal Highway Administration through a Congestion Mitigation and Air Quality (CMAQ) grant in the amount of \$400,000 and by the Central Lathrop developer (Saybrook CLSP, LLC) whose proportionate share was \$180,000; and

WHEREAS, the awarded contract was for \$599,495, and a 10% construction contingency of \$59,950 was authorized for staff to use as necessary to achieve the goals of the project; and

WHEREAS, during construction, approved Change Orders totaling \$77,164 were issued for a final contract amount of \$676,659; and

WHEREAS, Mike Brown Electric Co. has satisfactorily completed the construction of the project, and staff has inspected the improvements and has deemed them complete and in accordance with the approved plans and specifications; and

WHEREAS, Mike Brown Electric Co. has provided the necessary lien releases for the materials supplied and completed work; and

WHEREAS, Mike Brown Electric Co. has submitted a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted to cover any repairs or replacements that may become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

WHEREAS, the performance and payment bonds (Bond No. 070211460, \$599,495) will be released and replaced with a one-year warranty bond (Bond No. Bond No. 070211460, \$67,666) upon City Council's acceptance of the improvements; and

WHEREAS, adequate funds were not allocated in the adopted budget to close out the project and staff is requesting Council authorize a budget amendment transferring \$54,000 from the Gas Tax Fund (2030) to close out the project as follows:

<u>Increase Transfer Out</u>		
2030-9900-990-9010		\$54,000
 <u>Increase Transfer In</u>		
3310-9900-393-0000	PS 18-03	\$54,000
 <u>Increase Expenditures</u>		
3310-8000-420-1200	PS 18-03	\$54,000

WHEREAS, staff requests City Council accept the public improvements constructed by Mike Brown Electric Co. for Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way CIP PS 18-03; and

WHEREAS, staff requests that any portion of unused funds from the contingent request be transferred back into the Gas Tax Fund (2030);

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the public improvements constructed by Mike Brown Electric Co. for Traffic Signal Installation – Intersection of Golden Valley Parkway & Spartan Way CIP PS 18-03 pursuant to the contract documents dated May 11, 2020; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop authorizes the filing of the Notice of Completion with the San Joaquin County Clerk and the release of the contract retention to Mike Brown Electric Co., in the amount of \$33,833 within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the requested budget amendment; and

BE IT FINALLY RESOLVED, that City Council also authorizes the transfer of unused Project funds back into the Gas Tax Fund (2030).

The foregoing resolution was passed and adopted this 13th day of September, 2021, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

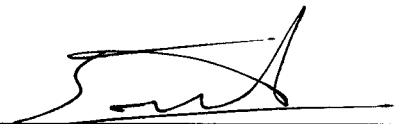
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **September 13, 2021** by **Mike Brown Electric Co.** to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by Resolution of the City Council adopted on **September 13, 2021**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By _____
Stephen J. Salvatore, City Manager

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