

ITEM 4.6

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

ITEM: ACCEPTANCE OF PUBLIC IMPROVEMENTS CONSTRUCTED BY DSS COMPANY DBA KNIFE RIVER CONSTRUCTION FOR LOUISE AVENUE PAVEMENT REHABILITATION CIP PS 18-01 AND APPROVAL OF RELATED BUDGET AMENDMENT

RECOMMENDATION: Adopt Resolution Accepting Public Improvements Constructed by DSS Company dba Knife River Construction for Louise Avenue Pavement Rehabilitation CIP PS 18-01, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds, and Approve Related Budget Amendment

SUMMARY:

DSS Company dba Knife River Construction (Knife River) has completed construction of the Louise Avenue Pavement Rehabilitation Capital Improvement Project (CIP) PS 18-01. Staff has inspected the improvements and has deemed these improvements complete and in accordance with the approved plans and specifications.

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

Staff requests City Council accept the improvements constructed by Knife River for Louise Avenue Pavement Rehabilitation CIP PS 18-01. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, release of contract retention to Knife River, in the amount of \$243,510 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

Reynolds & Brown (Developer) contributed their fair share of the funds to the City rather than constructing a portion of the improvements with the North Crossroads Business Center Project (Crossroads). In order to recognize the revenue received from the Developer and use it towards the construction cost of the project, staff is also requesting City Council approve a budget amendment transferring \$612,391 from Developer Contribution Fund (2710) towards the completed project.

CITY MANAGER'S REPORT **PAGE 2**
SEPTEMBER 13, 2021 CITY COUNCIL REGULAR MEETING
ACCEPTANCE OF PUBLIC IMPROVEMENTS CONSTRUCTED BY DSS COMPANY
DBA KNIFE RIVER FOR LOUISE AVENUE PAVEMENT REHABILITATION CIP PS
18-01 AND APPROVAL OF RELATED BUDGET AMENDMENT

BACKGROUND:

Louise Avenue is a major east-west corridor within the City of Lathrop that provides access to Interstate 5 (I-5) for residential, commercial and industrial development. Louise Avenue between I-5 and the Union Pacific Railroad (UPRR) needs improvement in order to facilitate current and future development.

On August 10, 2020, City Council awarded a construction contract to Knife River for the construction of Louise Avenue Pavement Rehabilitation CIP PS 18-01. The project accomplished the removal and replacement of concrete sidewalk, curb, and gutter, reconstruction of the road structural section and wearing course, construction of two center medians, and installation of a 12" water main within a 5,400-foot segment of Louise Avenue.

The awarded contract was in the amount of \$3,678,694, and a 10% construction contingency of \$367,870 was authorized. The total construction budget for the project was \$4,046,564. However, during construction, the additional work below was identified and resulted in contract change orders:

- (1) Reduced the thickness of the roadway section and installed reinforcing pavement fabric to protect the existing PG&E gas lines along Louise Avenue
- (2) Upgraded all curb ramps, constructed additional sidewalk, modified traffic signals and installed more signage to comply with the Americans with Disabilities Act (ADA)

The contract change orders totaled \$1,191,494 for a final contract amount of \$4,870,188. To support the construction cost of the additional work, on November 9, 2020, City Council approved a budget amendment to transfer \$950,000 from the Street Reserve Fund (1010) to the Streets CIP Fund (3310). With the approved budget amendment, staff was authorized to spend \$4,996,608 as necessary to achieve the goals of the project.

The project has been completed within the original contract period and in accordance with the plans, specifications, and City of Lathrop Standards. The construction costs referenced below capture all expenditures.

Construction costs are as follows:

A.	Construction Contract Amount	\$ 3,678,694
B.	Final Change Orders	\$ 1,191,494
		<hr/> <hr/>
	Total Construction Costs	\$ 4,870,188

SEPTEMBER 13, 2021 CITY COUNCIL REGULAR MEETING**ACCEPTANCE OF PUBLIC IMPROVEMENTS CONSTRUCTED BY DSS COMPANY DBA KNIFE RIVER FOR LOUISE AVENUE PAVEMENT REHABILITATION CIP PS 18-01 AND APPROVAL OF RELATED BUDGET AMENDMENT**

Upon acceptance of the improvements, the performance and payment bonds (Bond No. 190-045-315 / 107264112) will be released and replaced with the maintenance bond (Bond No. 190-045-315-M / 107264112-M). The maintenance 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. Knife River has also provided the necessary lien releases for the materials supplied and completed work.

Knife River completed the construction of the project and staff has inspected the improvements and deemed them complete and in accordance with the approved plans and specifications.

Staff requests City Council accept the public improvements constructed by Knife River for Louise Avenue Pavement Rehabilitation CIP PS 18-01. 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 Knife River, in the amount of \$243,510 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

Reynolds & Brown (Developer) contributed their fair share of the funds to the City rather than constructing a portion of the improvements with the North Crossroads Business Center Project (Crossroads). The revenue received from the Developer will need to be recognized and used towards the construction cost of the project. Staff is also requesting City Council approve a budget amendment transferring \$612,391 from Developer Contribution Fund (2710) towards the completed project.

REASON FOR RECOMMENDATION:

Pavement evaluation studies determined that the existing pavement section in Louise Avenue is structurally deficient, and the current deteriorating pavement conditions of the segment between Harlan Road and the railroad crossing east of 5th Street warranted this to be a high priority project for City's road maintenance and repair program.

The project was completed by Knife River pursuant to the contract documents dated August 10, 2020. Staff has inspected the improvements and deemed them complete and in accordance with City standards. The performance and payment bonds (Bond No. 190-045-315 / 107264112) will be released and replaced with a one-year maintenance bond (Bond No. 190-045-315-M / 107264112-M) upon City Council's acceptance of the improvements.

CITY MANAGER'S REPORT **PAGE 4**
SEPTEMBER 13, 2021 CITY COUNCIL REGULAR MEETING
ACCEPTANCE OF PUBLIC IMPROVEMENTS CONSTRUCTED BY DSS COMPANY
DBA KNIFE RIVER FOR LOUISE AVENUE PAVEMENT REHABILITATION CIP PS
18-01 AND APPROVAL OF RELATED BUDGET AMENDMENT

FISCAL IMPACT:

Staff is requesting City Council approve a budget amendment to recognize \$612,391 received from the Developer and use it towards the construction cost of the project. In addition, staff is also requesting to recognize and adjust \$400,000 Regional Surface Transportation Program (RSTP) funds transferred to the Pavement Maintenance and Repair Project CIP PS 21-12 from the Louise Avenue Pavement Rehabilitation project CIP PS 18-01, as follows:

Increase Revenue		
2710-8000-372-01-00	PS 18-01	\$612,391
Increase Transfers Out		
2710-9900-990-9010		\$612,391
Increase Transfers In		
3310-9900-393-0000	PS 18-01	\$400,000
3310-9900-393-0000	PS 18-01	\$612,391
Decrease Transfers In		
3310-9900-393-0000	PS 21-12	\$400,000
Increase Expenditures		
3310-8000-420-12-00	PS 18-01	\$400,000
3310-8000-420-12-00	PS 18-01	\$612,391
Decrease Expenditures		
3310-8000-420-12-00	PS 21-12	\$400,000

ATTACHMENTS:

- A. Resolution Accepting Public Improvements Constructed by DSS Company dba Knife River for Louise Avenue Pavement Rehabilitation CIP PS 18-01, 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 – Louise Avenue Pavement Rehabilitation CIP PS 18-01
- C. Project Vicinity Map – Louise Avenue Pavement Rehabilitation CIP PS 18-01

CITY MANAGER'S REPORT **PAGE 5**
SEPTEMBER 13, 2021 CITY COUNCIL REGULAR MEETING
ACCEPTANCE OF PUBLIC IMPROVEMENTS CONSTRUCTED BY DSS COMPANY
DBA KNIFE RIVER FOR LOUISE AVENUE PAVEMENT REHABILITATION CIP PS
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APPROVALS:



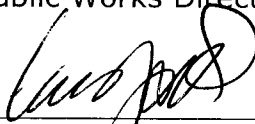
Ken Reed
Senior Construction Manager

8-26-2021
Date




Michael King
Public Works Director

8-25-2021
Date



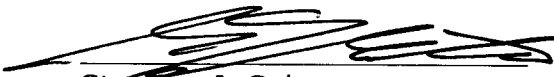
Cari James
Finance and Administrative
Services Director

8/30/2021
Date



Salvador Navarrete
City Attorney

8.30.2021
Date



Stephen J. Salvatore
City Manager

9-2-21
Date

RESOLUTION NO. 21 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING IMPROVEMENTS CONSTRUCTED BY DSS COMPANY DBA KNIFE RIVER CONSTRUCTION FOR LOUISE AVENUE PAVEMENT REHABILITATION CIP PS 18-01, AUTHORIZE THE FILING OF A NOTICE OF COMPLETION, RELEASE CONTRACT RETENTION AND PERFORMANCE & PAYMENT BONDS, AND APPROVE RELATED BUDGET AMENDMENT

WHEREAS, on August 10, 2020, City Council awarded a construction contract to DSS Company dba Knife River Construction (Knife River) for the construction of Louise Avenue Pavement Rehabilitation CIP PS 18-01; and

WHEREAS, the scope of work included the removal and replacement of concrete sidewalk, curb, and gutter, reconstruction of the road structural section and wearing course, construction of two center medians, and installation of a 12" water main within a 5,400-foot segment of Louise Avenue; and

WHEREAS, the awarded contract was in the amount of \$3,678,694, and a 10% construction contingency of \$367,870 was authorized for total construction budget for the project was \$4,046,564; and

WHEREAS, during construction, the additional work below was identified and resulted in contract change orders:

- (1) Reduced the thickness of the roadway section and installed reinforcing pavement fabric to protect the existing PG&E gas lines along Louise Avenue
- (2) Upgraded all curb ramps, constructed additional sidewalk, modified traffic signals and installed more signage to comply with the Americans with Disabilities Act (ADA)

WHEREAS, the contract change orders totaled \$1,191,494 for a final contract amount of \$4,870,188; and

WHEREAS, on November 9, 2020, City Council approved a budget amendment to transfer \$950,000 from the Street Reserve Fund (1010) to the Streets CIP Fund (3310)to support the additional construction cost; and

WHEREAS, with the approved budget amendment, staff was authorized to spend \$4,996,608 as necessary to achieve the goals of the project; and

WHEREAS, Knife River 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, Knife River has provided the necessary lien releases for the materials supplied and completed work; and

WHEREAS, the performance and payment bonds (Bond No. 190-045-315 / 107264112) will be released and replaced with a one-year maintenance bond (Bond No. 190-045-315-M / 107264112-M) upon City Council's acceptance of the improvements; and

WHEREAS, Knife River has submitted a one-year maintenance bond (based on 10% of total project cost) for the improvements being accepted; and

WHEREAS, the one-year maintenance bond covers 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, staff requests City Council accept the public improvements constructed by Knife River for Louise Avenue Pavement Rehabilitation CIP PS 18-01; and

WHEREAS, 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 Knife River, in the amount of \$243,510 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds; and

WHEREAS, Reynolds & Brown (developer) contributed their fair share of the funds to the City rather than constructing a portion of the improvements with the North Crossroads Business Center Project (Crossroads); and

WHEREAS, staff is requesting City Council approve a budget amendment to recognize \$612,391 received from the Developer and use it towards the construction cost of the project; and

WHEREAS, staff is also requesting a budget amendment to recognize and adjust \$400,000 Regional Surface Transportation Program (RSTP) funds transferred to the Pavement Maintenance and Repair Project CIP PS 21-12 from the Louise Avenue Pavement Rehabilitation project CIP PS 18-01, as follows:

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3310-9900-393-0000	PS 21-12	\$400,000

Increase Expenditures		
3310-8000-420-12-00	PS 18-01	\$400,000
3310-8000-420-12-00	PS 18-01	\$612,391
Decrease Expenditures		
3310-8000-420-12-00	PS 21-12	\$400,000

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the public improvements constructed by DSS Company dba Knife River for improvements to Louise Avenue Pavement Rehabilitation CIP PS 18-01 pursuant to the contract documents dated August 10, 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 Knife River, in the amount of \$243,510 within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

BE IT FURTHER RESOLVED, that City Council of the City of Lathrop also approves a budget amendment transferring \$612,391 from Developer Contribution Fund (2710) towards the completed project and adjusting \$400,000 Regional Surface Transportation Program (RSTP) funds transferred to the Pavement Maintenance and Repair Project CIP PS 21-12 from the Louise Avenue Pavement Rehabilitation project CIP PS 18-01.

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:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



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 **DSS Company dba Knife River Construction** 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 minute action 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

