

ITEM 4.4

CITY MANAGER'S REPORT JULY 11, 2022 CITY COUNCIL REGULAR MEETING

ITEM: **ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY AMERICAN PAVEMENT SYSTEMS, INC. FOR THE MANTHEY ROAD REHABILITATION, CIP PS 21-08**

RECOMMENDATION: **Adopt Resolution Accepting Public Improvements Constructed by American Pavement Systems, Inc. for the Manthey Road Rehabilitation, CIP PS 21-08, Authorize the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds**

SUMMARY:

American Pavement Systems, Inc. (APS) has completed the construction of the Manthey Road Rehabilitation Capital Improvement Project (CIP) PS 21-08 (Project). Staff has inspected the improvements and has deemed these improvements complete and in accordance with the approved plans and specifications.

APS 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 APS for the Manthey Road Rehabilitation Capital Improvement Project, CIP PS 21-08. 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 APS for \$22,544.43 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

BACKGROUND:

On August 9, 2021, City Council awarded a construction contract to APS to rehabilitate the surface of Manthey Road from Towne Centre Drive to the San Joaquin River. The Project scope included the application of a Scrub Seal coat to the segment of Manthey Road. However, further investigation into the road's condition indicated that an Asphalt Rubber Aggregate Membrane (ARAM) surfacing treatment would extend the pavement life at a lower life cycle cost than the Scrub Seal. Additional segments of City roads near the Project but not included in the initial Project scope were also identified as suitable for the application of ARAM surfacing, including segments of Brookhurst Boulevard, Sadler Oak Drive and newly constructed lanes on Manthey Road and Sadler Oak Drive.

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On May 16, 2022, City Council approved a Contract Change Order (CCO) No. 1 with APS in the amount of \$129,119 for the application of ARAM to the original Project scope and additional identified roads. The initial awarded contract was for \$302,353, and a 10% construction contingency of \$30,235 was authorized for staff to use as necessary to achieve the goals of the Project. With the CCO No. 1, the total construction budget for the Project was \$461,707.

During construction, additional contract change orders were issued for a final contract amount of \$450,888. The construction costs referenced below capture all expenditures.

Construction costs are as follows:

A. Construction Contract	\$ 302,353.00
B. Additional Change Orders	\$ 148,535.60

Total Construction Costs	\$ 450,888.60
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Upon acceptance of the improvements, the performance bond (Bond No. 107456708, \$302,353) and payment bond (Bond No. 107456708, \$302,353) will be released and replaced with a one-year warranty bond (Bond No. 107456708, \$45,038.83). The one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance due to any defective materials or workmanship in connection with the completed improvements. APS has also provided the necessary lien releases for the materials supplied and completed work.

Staff requests City Council accept the improvements constructed by APS for the Manthey Road Rehabilitation, CIP PS 21-08. 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 APS for \$22,544.43 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds. Staff requests that unused funds be transferred back into the General Street Reserves Fund (1010).

REASON FOR RECOMMENDATION:

APS completed the project pursuant to the contract documents dated August 9, 2021. Staff has inspected the improvements and deemed them complete and in accordance with City standards and approved plans and specifications. The performance bond (Bond No. 107456708, \$302,353) and payment bond (Bond No. 107456708, \$302,353) will be released and replaced with a one-year warranty bond (Bond No. 107456708, \$45,038.83) upon City Council's acceptance of the improvements.

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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. APS has also provided the necessary lien releases for the materials supplied and completed work.

FISCAL IMPACT:

The final construction contract amount with APS for CIP PS 21-08 is for \$450,888. Adequate funds have been allocated in the FY 2021/22 budget to close out the project. With the completion of this project, staff requests that unused funds be transferred back into the General Street Reserves Fund (1010).

ATTACHMENTS:

- A. Resolution Accepting Public Improvements Constructed by American Pavement Systems, Inc. for the Manthey Road Rehabilitation, CIP PS 21-08, Authorize the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds
- B. Notice of Completion – Manthey Road Rehabilitation, Capital Improvement Project (CIP) PS 21-08
- C. Project Limits Map – Manthey Road Rehabilitation, Capital Improvement Project (CIP) PS 21-08

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PAVEMENT SYSTEMS, INC. FOR THE MANTHEY ROAD REHABILITATION, CIP
PS 21-08

APPROVALS:



Angel Abarca
Assistant Engineer

6-27-22

Date



Ken Reed
Senior Construction Manager

6.27.2022

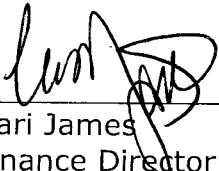
Date



Brad Taylor
City Engineer

6/28/22

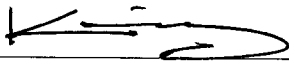
Date



Cari James
Finance Director

6/28/2022

Date



Michael King
Assistant City Manager

6-28-2022

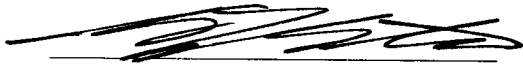
Date



Salvador Navarrete
City Attorney

6.28.2022

Date



Stephen J. Salvatore
City Manager

7.5.22

Date

RESOLUTION NO. 22 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY AMERICAN PAVEMENT SYSTEMS, INC. FOR THE MANTHEY ROAD REHABILITATION, CIP PS 21-08, AUTHORIZE THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, AND RELEASE OF PERFORMANCE AND PAYMENT BONDS

WHEREAS, on August 9, 2021, City Council awarded a construction contract to American Pavement Systems, Inc. (APS) for the construction of the Manthey Road Rehabilitation (Project), CIP PS 21-08 in the amount of \$302,353, and a 10% construction contingency of \$30,235 was authorized for staff to use as necessary to achieve the goals of the Project; and

WHEREAS, the scope of work consisted of rehabilitating the surface of Manthey Road from Towne Centre Drive to the San Joaquin River, restriping center/edge lines, and installing raised reflective pavement markers; and

WHEREAS, the Project scope included the application of a Scrub Seal coat to the segment of Manthey Road. However, further investigation into the road's condition indicated that an Asphalt Rubber Aggregate Membrane (ARAM) surfacing treatment would extend the pavement life at a lower life cycle cost than the Scrub Seal; and

WHEREAS, additional segments of City roads near the Project but not included in the initial Project scope were also identified as suitable for the application of ARAM surfacing, including segments of Brookhurst Boulevard, Sadler Oak Drive and newly constructed lanes on Manthey Road and Sadler Oak Drive; and

WHEREAS, on May 16, 2022, City Council approved a Contract Change Order (CCO) No. 1 with APS in the amount of \$129,119 for the application of ARAM to the original Project scope and additional identified roads; and

WHEREAS, APS has successfully completed the Project work at a total cost of \$450,888.60; and

WHEREAS, staff has inspected the improvements and has deemed them complete and in accordance with the approved plans and specifications; and

WHEREAS, APS has provided the necessary lien releases for the materials supplied and completed work and a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted; and

WHEREAS, the performance bond (Bond No. 107456708, \$302,353) and payment bond (Bond No. 107456708, \$302,353) will be released and replaced with a one-year warranty bond (Bond No. 107456708, \$45,038.83) upon City Council's acceptance of the improvements; and

WHEREAS, the one-year warranty 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 APS for the Manthey Road Rehabilitation, CIP PS 21-08; 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 APS, in the amount of \$22,544.43, within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the public improvements constructed by APS, Inc. for the Manthey Road Rehabilitation, CIP PS 21-08, pursuant to the contract documents dated August 9, 2021; 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 APS, in the amount of \$22,544.43, within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds.

The foregoing resolution was passed and adopted this 11th day of July 2022, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

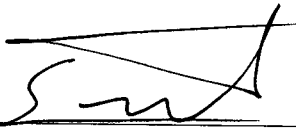
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ATTACHMENT B

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330
Exempt from payment of recording fees (GC 11922)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

1. That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:
NAME STREET AND NO. CITY STATE
City of Lathrop 390 Towne Centre Drive Lathrop CA 95330
(If more than one owner of the interest stated, the name and address of each must be stated)

2. That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.

3. That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is:
Project No. CIP PS 21-08 Manthey Road Rehabilitation by American Pavement Systems, Inc.

4. That on the 11th day of July 2022 a work of improvement on the real property herein described was completed.

5. That the name of the original contractor, if any, for said work of improvement was: American Pavement Systems, Inc.

6. That the name and address of the transferor is:
NAME STREET AND NO. CITY STATE
American Pavement Systems, Inc. 1012 11th Street Modesto CA 95354

7. That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:
Project No. CIP PS 21-08 Manthey Road Rehabilitation

CITY OF LATHROP

By: _____
Stephen J. Salvatore, City Manager Date

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: _____
Teresa Vargas, City Clerk Date

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **July 11, 2022** by **American Pavement Systems, Inc.** 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 **July 11, 2022**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By

Stephen J. Salvatore, City Manager

PROJECT LOCATION MAP

