

## ITEM 4.13

### CITY MANAGER'S REPORT SEPTEMBER 12, 2022 CITY COUNCIL REGULAR MEETING

**ITEM:** **ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY RTC CONSTRUCTION MANAGEMENT, INC. DBA R.L. FRIEND CONSTRUCTION, INC. FOR WATER SYSTEM REPAIRS, CIP PW 21-07**

**RECOMMENDATION:** **Adopt Resolution Accepting Public Improvements Constructed by RTC Construction Management, Inc. dba R.L. Friend Construction, Inc. for Water System Repairs CIP PW 21-07, Authorize the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds**

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#### **SUMMARY:**

The Water System Repairs Capital Improvement Project (CIP) PW 21-07 (Project) was created to install a water main pipeline, service laterals, and water valve repairs throughout the City's water system network. RTC Construction Management, Inc. dba R.L. Friend Construction, Inc. (R.L. Friend Construction, Inc.) has completed the construction of the Project. Staff has inspected the improvements and has deemed these improvements complete and in accordance with the approved plans and specifications.

R.L. Friend Construction, Inc. 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 is requesting City Council accept the improvements constructed by R.L. Friend Construction, Inc. for the Water System Repairs, CIP PW 21-07. 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 R.L. Friend Construction, Inc. for \$62,774 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

#### **BACKGROUND:**

The City's Water System Master Plan (WSMP) identified areas in the City's water system network that needed replacement and repair to improve system reliability and performance, including several deficient water system valves and fittings. The Project scope also included upsizing a section of the water main located on J Street to 12" and an existing 12" transmission main for Booster Pump Station and Tank No.1 (BPS-1) to 16" to improve system performance.

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**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY RTC CONSTRUCTION**  
**MANAGEMENT, INC. DBA R.L. FRIEND CONSTRUCTION, INC. FOR WATER**  
**SYSTEM REPAIRS, CIP PW 21-07**

On June 14, 2021, City Council awarded a construction contract to R.L. Friend Construction, Inc. for the construction of these improvements. The awarded contract was for \$1,084,300, and a 10% construction contingency of \$108,430 was authorized for staff to use as necessary to achieve the goals of the Project. The total construction budget for the project was \$1,192,730.

During construction, additional contract change orders were issued for a final contract amount of \$1,192,700. The construction costs referenced below capture all expenditures.

Construction costs are as follows:

A. Construction Contract	\$ 1,084,300
B. Additional Change Orders	\$ 108,400
	\$ 1,192,700
<b>Total Construction Costs</b>	<b>\$ 1,192,700</b>

Upon acceptance of the improvements, the performance bond (Bond No. 2318906, \$14,343) and payment bond (Bond No. 2318906) will be released and replaced with a one-year warranty bond (Bond No. 2318908, \$119,273). 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. R.L. Friend Construction, Inc. has also provided the necessary lien releases for the materials supplied and completed work.

Staff requests City Council accept the improvements constructed by R.L. Friend Construction, Inc. for the Water System Repairs, CIP PW 21-07. 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 R.L. Friend Construction, Inc. for \$62,774 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 Water Capital Replacement Fund (5600).

**REASON FOR RECOMMENDATION:**

R.L. Friend Construction, Inc. has completed the project pursuant to the contract documents dated June 14, 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. 2318906, \$14,343) and payment bond (Bond No. 2318906) will be released and replaced with a one-year warranty bond (Bond No. 2318908, \$119,273) 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. R.L. Friend Construction, Inc. has also provided the necessary lien releases for the materials supplied and completed work.

**FISCAL IMPACT:**

The final construction contract amount with R.L. Friend Construction, Inc. for CIP PW 21-07 is for \$1,192,730. 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 Water Capital Replacement Fund (5600).

**ATTACHMENTS:**

- A. Resolution Accepting Public Improvements Constructed by R.L. Friend Construction, Inc. for the Water System Repairs, CIP PW 21-07, Authorize the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds
- B. Notice of Completion – Water System Repairs, Capital Improvement Project (CIP) PW 21-07
- C. Project Location Map – Water System Repairs, Capital Improvement Project (CIP) PW 21-07

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**SYSTEM REPAIRS, CIP PW 21-07**

**APPROVALS:**



Angel Abarca  
Assistant Engineer

8-24-22

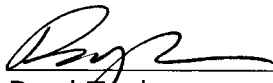
Date



Ken Reed  
Senior Construction Manager

8-25-22

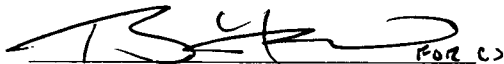
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Brad Taylor  
City Engineer

8/29/2022

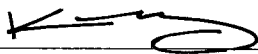
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Cari James  
Finance Director

8/29/2022

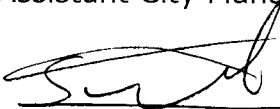
Date



Michael King  
Assistant City Manager

8-29-2022

Date



Salvador Navarrete  
City Attorney

8-25-2022

Date



Stephen J. Salvatore  
City Manager

9-10-22

Date

**RESOLUTION NO. 22 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY RTC CONSTRUCTION MANAGEMENT, INC. DBA R.L. FRIEND CONSTRUCTION, INC. FOR WATER SYSTEM REPAIRS, CIP PW 21-07, AUTHORIZE THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, AND RELEASE OF PERFORMANCE AND PAYMENT BONDS**

**WHEREAS**, on June 14, 2021, City Council awarded a construction contract to RTC Construction Management, Inc. dba R.L. Friend Construction, Inc. (R.L. Friend Construction, Inc.) for the construction of the Water System Repairs Capital Improvement Project (CIP) PW 21-07 (Project) in the amount of \$1,084,300, and a 10% construction contingency of \$108,430 was authorized for staff to use as necessary to achieve the goals of the Project; and

**WHEREAS**, the scope of work consisted of installing a water main pipeline, service laterals, and water valve repairs throughout the City's water system network; and

**WHEREAS**, the Project scope included upsizing a section of the water main located on J Street to 12" and an existing 12" transmission main for Booster Pump Station and Tank No.1 (BPS-1) to 16" to improve system performance; and

**WHEREAS**, R.L. Friend Construction, Inc. has successfully completed the Project work at a total cost of \$ 1,192,700; and

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

**WHEREAS**, R.L. Friend Construction, Inc. 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. 2318906, \$14,343) and payment bond (Bond No. 2318906) will be released and replaced with a one-year warranty bond (Bond No. 2318908, \$119,273) 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 R.L. Friend Construction, Inc. for the Water System Repairs CIP PW 21-07; 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 R.L. Friend Construction, Inc., in the amount of \$62,774, 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 R.L. Friend Construction, Inc. for the Water System Repairs CIP PW 21-07, pursuant to the contract documents dated June 14, 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 R.L. Friend Construction, Inc., in the amount of \$62,774, 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 12th day of September 2022, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

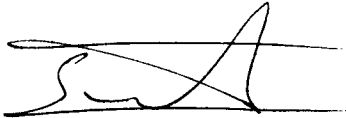
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**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 PW 21-07 Water System Repairs by RTC Construction Management, Inc. dba R.L. Friend Construction, Inc.

4. That on the 12th day of September 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: RTC Construction Management, Inc. dba R.L. Friend Construction, Inc.

6. That the name and address of the transferor is:

NAME STREET AND NO. CITY STATE

RTC Construction Management, Inc. 731 E. Yosemite Ave, Ste B-127 Merced CA 95340  
dba R.L. Friend Construction, Inc.

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 PW 21-07 Water System Repairs

**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 **September 12, 2022** by **RTC Construction Management, Inc. dba R.L. Friend Construction, 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 **September 12, 2022**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated \_\_\_\_\_

By \_\_\_\_\_  
Stephen J. Salvatore, City Manager



# LEGEND

## PROJECT LOCATIONS



ATTACHMENT  
"C"



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



### CITY OF LATHROP

## LOCATION MAP - WATER SYSTEM REPAIRS CIP PS 21-07

Disclaimer: Data shown may not be accurate and is for mapping purposes only. Contact the City for more information.