

City of Hesperia

STAFF REPORT



DATE: March 20, 2018

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Director of Development Services
David Burkett, Project Construction Manager

SUBJECT: Award Contract for FY 2017-18 CDBG Street Improvement Project Amend the Existing Professional Services Agreement with Geocon West, Inc. Adopt Resolution 2018-022 Amending the FY 2017-18 CIP Budget

RECOMMENDED ACTION

It is recommended that the City Council:

- (1) Award a contract for the FY 2017-18 CDBG Street Improvement project to the lowest responsive and responsible bidder, Matich Corporation for the Base Bid amount of \$982,000, plus Add Alternate A in the amount of \$214,000, plus Add Alternate B in the amount of \$222,000 for a total amount of \$1,418,000; approve an additional 10% contingency in the amount of \$142,000 for a total construction budget of \$1,560,000; approve the design of the project represented by the plans and specifications; and authorize the City Manager to execute the contract, and
- (2) Amend the existing Professional Services Agreement (PSA) with Geocon West, Inc. for on-call geotechnical engineering services by increasing the PSA \$150,000 in order to have adequate funding to continue providing quality assurance and quality control on the City's capital improvement projects, and
- (3) Adopt Resolution 2018-022 amending the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget and appropriating an additional \$100,000 from the CDBG Housing Program to the FY 2017-18 CDBG Street Improvements project (C.O. No. 7142).

BACKGROUND

The City Council has continuously expressed a desire to improve existing roadways within the city. As a result, staff has sought innovative ways to fund such improvements. Annually the City receives Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). In the past a large part of this funding was directed to programs, which left small amounts available for capital projects. In order to accomplish the Council's goal of improving more streets throughout the City, staff has designated a larger amount of the CDBG funding towards the CDBG Capital Fund.

The FY 2017-18 CDBG Street Improvement Project consists of construction of new asphalt paving over portions of Eighth, Ninth, and Tenth Streets, which are currently dirt roadways. The improvements will include construction of 26-foot wide asphalt concrete (AC) pavement within the middle of each street's existing 60-foot wide right-of-way. These roads were selected due to

the fact that infrastructure upgrades to waterlines have been completed within the last five years and residential development is near build-out. There are few vacant lots left on these particular streets so there is less chance that the new roadway will be cut after completion in order to install new water or sewer services.

On June 20, 2017, the Hesperia City Council adopted the Fiscal Year 2017-18 Capital Improvement Program (CIP) Budget, and included the FY 2017-18 CDBG Street Improvement project under Construction Order No. 7142. The Council also approved additional funding for this project, in the amount of \$387,000, in the Mid-Year Budget Amendment for a total revised budget in the amount of \$1,587,524.

ISSUES/ANALYSIS

This project was advertised for bids beginning on February 22, 2018. Various contractors were notified about the project. Bids were received, opened, and publicly read on March 14, 2018.

The City received the following two bids:

Matich Corporation	San Bernardino, CA	\$982,000.00
All American Asphalt	Corona, CA	\$1,399,190.00

After review of the submitted bids, staff has determined that Matich Corporation is the lowest responsive/responsible bidder. Matich Corporation has been in the Southern California construction industry since 1918 and has earned a reputation as a service-oriented company that produces first-class, quality projects, on schedule and within budget. Matich Corporation has extensive experience in public works roadway projects. After completing due diligence staff believes Matich Corporation has a reputation of professionalism and reliability and will meet the construction needs of this project. Therefore, staff is recommending that the Council award a contract to Matich Corporation for construction of FY 2017-18 CDBG Street Improvements.

Staff requested and received a cost proposal from Geocon West, Inc. to provide the geotechnical engineering services for this project. Geocon West, Inc. will ensure that the City receives quality roadways by providing geotechnical observation and testing services throughout the duration of the project. Geocon West, Inc. will also provide other miscellaneous quality assurance and quality control services such as laboratory testing of subgrade soil and asphalt concrete. Geocon West, Inc. was one of three firms recently selected by staff to provide on-call geotechnical engineering services via a rigorous qualifications-based process. The current contract balance with Geocon West, Inc. is insufficient to cover these costs for this project.

Therefore, staff is also requesting that the Council approve an amendment to the existing Professional Services Agreement (PSA) with Geocon West, Inc. that will increase their current contract amount of \$350,000 by an additional \$150,000 resulting in a revised total contract amount of \$500,000.

Geocon West, Inc. has already provided these services on several City projects and is currently providing quality control on the City's Recycled Water System project at a cost of \$289,782, so

their existing contract amount of \$350,000 is nearly depleted. This particular project will not utilize the entire \$150,000 requested, but any unused portion will remain available for other future projects when on-call geotechnical engineering services are needed.

This project was originally included in the FY 2017-18 CIP Budget and additional funding was subsequently added during the quarterly budget review process. Since then, additional unallocated CDBG capital funds have become available that must be utilized before April 2018. Staff would like to add this funding to the FY 2017-18 CDBG Street Improvements project in order to have the ability to construct both streets that were included as Add Alternates. Therefore, staff is recommending that the Council adopt Resolution No. 2018-022 appropriating the additional \$100,000 to Account No. 251-29-700-7142-8000. This will bring the total budget for this street improvement project to \$1,687,524.

FISCAL IMPACT

Upon adoption of Resolution No. 2018-022 the amended FY 2017-18 CIP Budget for this project will be \$1,687,524. The estimated costs for this project are as follows:

Construction	\$1,418,000.00
Construction Contingency	142,000.00
Construction Geotechnical Engineering	84,586.00
Labor Compliance Consulting Services	19,910.00
Project Administrative Costs ¹	5,504.00
Total =	<u>\$1,670,000.00</u>

¹Project administrative costs include items such as legal advertising, copying services, postage, etc.

Sufficient funds will be available in Fund 251 to construct the street improvements proposed under FY 2017-18 CDBG Street Improvements (Acct. No. 251-29-700-7142-8000). With total estimated project costs of \$1,670,000, that leaves a balance of \$17,524, which will be carried over into next fiscal year and utilized on another street improvement project.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2018-022