

# City of Hesperia

## STAFF REPORT



**DATE:** September 3, 2019

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
Jamie Carone, Administrative Analyst

**SUBJECT:** Amend Fiscal Year 2019-20 Capital Improvement Program Budget for C.O. No. 7149 FY 2018-19 Street Improvement Project

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### RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2019-048 amending the Fiscal Year (FY) 2019-20 adopted Capital Improvement Program (CIP) Budget by appropriating \$590,341 of unused project funds from FY 2018-19 to Fund 209 for FY 2019-20.

### BACKGROUND

In June of 2018, the City Council approved the FY 2018-19 CIP which included programming for the FY 2018-19 Annual Street Improvement Project, C.O. No. 7149. On February 19, 2019, the City Council awarded the contract to the lowest responsive/responsible bidder, Match Corporation, in the amount of \$1,359,850 with a 10% contingency in the amount of \$135,985 for a total authorized contract amount of \$1,495,835.

Immediately after City Council awarded the contract, City Staff began working with Match on a construction schedule that included an end date of June 2019. Therefore, when preparing the CIP Budget for FY 2019-20, City Staff appropriated the majority of expenditures for this project in the FY 2018-19 Budget; \$1,460,000 was anticipated to be expended from FY 2018-19, and only \$100,000 was anticipated to be expended from FY 2019-20.

As Match Corporation developed their traffic control plan during the coordination phase of this project, it became evident that the traffic control would encroach into the right-of-way of the California Department of Transportation (Caltrans). Therefore, the City and the contractor, in order to comply with Caltrans standards, needed to obtain an encroachment permit from Caltrans.

Obtaining an encroachment permit from Caltrans created a slight delay in the original project schedule pushing the start date closer to the middle of May. Additionally, City Staff made the decision to wait an additional two weeks in order to start construction after the last day of school for Hesperia Unified School District. This decision was made in order to reduce traffic delays for Hesperia residents and to accommodate school traffic. Due to the delays for the Caltrans permit and the decision to begin construction after the end of the school year, the construction that was anticipated to occur before June 30, 2019 instead occurred into FY 2019-20.

## **ISSUES/ANALYSIS**

The FY 2018-19 CIP Budget included funds for C.O. No. 7149 in the amount of \$1,560,000 from Fund 209. The adopted FY 2019-20 CIP identified funding for this project from Fund 209, in the amount of \$100,000; however due the delay in the construction of the project, nearly half of the work, and therefore half of the expenditures, occurred in FY 2019-20.

Currently, there is \$100,000 in Fund 209 for FY 2019-20 for C.O. No. 7149, and \$690,341 is needed to complete the project; therefore, an amendment of \$590,341 to the FY 2019-20 CIP budget is necessary to accommodate forthcoming expenditures.

## **FISCAL IMPACT**

Funding in the amount of \$100,000 in Fund 209 for the project is currently budgeted in the approved FY 2019-20 CIP Budget. Further funding for the project will require amending the FY 2019-20 CIP Budget by appropriating \$590,341 in Fund 209, to carry over funds that were originally budgeted in the FY 2018-19 Budget for a total budgeted amount in FY 2019-20 of \$690,341.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENT(S)**

1. Resolution No. 2019-048