

# City of Hesperia

## STAFF REPORT



**DATE:** October 6, 2020

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
David Burkett, Project Construction Manager

**SUBJECT:** Approve and Accept Construction of FY 2019-20 CDBG Street Improvements

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### RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to accept the work constructed under FY 2019-20 CDBG Street Improvements (C.O. No. 7158); authorize staff to record a "Notice of Completion"; and release all withheld retention amounts after 35 calendar days from the date of recordation.

### 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 designated a larger amount of the CDBG funding towards the CDBG Capital Fund.

The FY 2019-20 CDBG Street Improvement Project consisted of construction of new 26-foot wide asphalt concrete (AC) pavement within the middle of each street's existing 60-foot wide right-of-way. The work also included construction of pavement to connect all existing driveways on private property to the new street paving. All improvements matched existing lines and grade; no other improvements were constructed. The existing dirt roadways paved under this project included the following:

- Hawthorne Avenue – between Eucalyptus Street and Lilac Street
- Lilac Street – between Hawthorne Avenue and Balsam Avenue
- Palm Street – between Seventh Avenue and Sixth Avenue

These roads were selected because infrastructure upgrades to waterlines have been completed within the last five years and the number of existing residences on the roads (i.e., the roadway is near build-out). This project originally included the above-referenced street component with a budget of \$651,776, as adopted in the FY 2019-20 Capital Improvement Program (CIP) Budget. The project was later amended to 1) increase the street component by \$326,196, for a total street component budget of \$977,972 (Phase I), and 2) add a drainage improvement component located at Peach Avenue for \$200,000 (Phase II), resulting in a total FY 2019-20 Revised Budget of \$1,177,972.

## **ISSUES/ANALYSIS**

Staff issued a "Notice Inviting Sealed Bids" for this project on April 13, 2020. A total of five bids were accepted and publicly read on May 14, 2020. Subsequently, the Council awarded a contract to Match Corporation at its June 16, 2020 meeting to construct the roadway improvements for the amount of \$558,855 and approved a contract contingency amount of \$55,885. The total expenditure authorization for the Work was \$614,740.

A Notice to Proceed was issued to Match Corporation to commence work on July 27, 2020. During construction, two contract change orders in the net amount of \$13,979.83 were requested by the City to provide additional pavement and for the addition of some minor chain link fencing. A final deduction to the contract amount was approved in the amount of (\$83,160.80) to reconcile the actual quantities of work completed versus the quantities estimated in the Bid Documents. The final contract amount for work completed by Match Corporation, with the three described change orders, was \$489,674.03. The final contract amount was less than the original contract amount by \$69,180.97. The two additive change orders only utilized 2.50% of the 10% contingency amount authorized by Council for this project. The project was completed on time and within budget.

On September 18, 2020, all work on the project was completed to the satisfaction of the City's construction inspector and project manager. Staff is recommending acceptance of the completed work and requesting authorization to release the final retention payment. Retention funds for this project, in the amount of \$24,483.70 will be available for release to the contractor after recordation of the Notice of Completion pursuant to California Public Contract Code § 7107.

## **FISCAL IMPACT**

The amended FY 2019-20 Capital Improvement Program Budget included \$977,972 for Phase I of the FY 2019-20 CDBG Street Improvements (C.O. No. 7158) from Fund 251 – CDBG Grant Fund. Any balance of CDBG funding remaining from this project, including unused contingency funds, will be re-allocated to other CDBG projects.

## **ALTERNATIVE(S)**

1. Do not approve and accept the project.
2. Provide alternative direction to staff.

## **ATTACHMENT(S)**

1. None