

City of Hesperia

STAFF REPORT



DATE: October 5, 2021

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Assistant City Manager
Tina Souza, Senior Management Analyst

SUBJECT: Award Construction Contract for the Ranchero Road Corridor Widening Project, C.O. Nos. 7094 and 7139

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District 1) award a construction contract for the Ranchero Road Corridor Widening Project (C.O. Nos. 7094 and 7139) to the lowest responsive/responsible bidder, Sully-Miller Contracting Company, Inc. at the base bid amount of \$37,492,000; 2) award bid Add/Alternate Item C in the amount of \$423,630; 3) approve a 10% contingency in the amount of \$3,791,563 for a total not-to-exceed contract amount of \$41,707,193; 4) approve the design of the project represented by the plans and Contract Documents and Specifications; and 5) authorize the City Manager to execute the contract.

BACKGROUND

The Ranchero Corridor Project consists of several improvements in three phases: I) the undercrossing at the Burlington Northern Santa Fe Railway Company (BNSF) railroad tracks (at the eastern terminus of the corridor project boundary) which was completed in June 2013; II) the interchange at Interstate 15 (I-15) (at the western terminus of the corridor project boundary) which was completed in March 2015; and III) improvements to widen the five-mile roadway segment of Ranchero Road from two lanes to five lanes between these two structures for increased vehicular capacity, the Ranchero Road Corridor Widening Project (Project). The widening of the roadway includes replacing and widening the bridge over the California Department of Water Resources (DWR) aqueduct, as well as widening the at-grade crossing of Union Pacific Railroad (UPRR) railroad tracks. The Ranchero Road Corridor project is the City's highest priority for roadway capital construction.

Work on the Project began in 2007 with initial surveys followed by the start of design in 2008, which was ultimately met with suspension of the Project on various occasions due to lack of funding. Most notably, the loss of Redevelopment Agency funds significantly delayed Project progress. The design of the Project is complete, and the Project is ready to enter the construction phase.

The Project is being constructed in partnership with San Bernardino County (SBC), apart from the aqueduct crossing, which is a City only portion of the overall corridor project. Roughly half of the Project is within the SBC's jurisdiction. A Memorandum of Understanding (MOU) with SBC was approved by the City Council in May of 2011 to share the cost of the environmental and design [plans, specifications, and estimates (PS&E)] services. A subsequent amendment to

include the construction phase of the project was approved by the City Council on March 17, 2020.

In addition, the City Council approved a funding agreement with San Bernardino County Transportation Authority (SBCTA) on June 20, 2017, along with a subsequent amendment on March 17, 2020, for the utilization of Measure I, Major Local Highway Program (MLHP) funds for the Project.

ISSUES/ANALYSIS

There are multiple components and construction plan sets for the Project which collectively make up one project, referred to as the Ranchero Road Corridor Widening Project, which is how the project was bid.

This project was advertised for bids beginning on July 1, 2021 and more than 18,000 contractors were notified about the project through Public Purchase, the City's online bidding platform. This includes potential prime contractors and subcontractors. Bids were received, opened, and publicly read on September 21, 2021.

The City received seven bids, which were utilized to determine the lowest responsible/responsive bidder:

Sully-Miller Contracting Company	\$37,492,000.00
Security Paving Company, Inc.	\$39,979,505.25
Skanska USA Civil West CA District, Inc.	\$40,276,266.65
Granite Construction Company	\$42,160,500.00
Riverside Construction Company, Inc.	\$42,386,369.95
Griffith Company	\$43,939,045.40
C.A. Rasmussen, Inc.	\$45,297,660.90

After review of the submitted bids, staff has determined that Sully-Miller Contracting Company (Sully-Miller) is the lowest responsive/responsible bidder. Founded in 1923, Sully-Miller has extensive experience in constructing various infrastructure projects with expertise in transportation infrastructure. Sully-Miller has performed work for numerous, counties, water districts, airports, Caltrans, and cities, including many local projects in the Mojave River Valley region. They have a reputation for quality and reliability. Because of their extensive experience with delivering large, complex projects, combined with their industry reputation, staff believes Sully-Miller can meet the construction needs of the project.

The City is responsible for contracting with and paying Sully-Miller directly. Subsequently, the City is charged with requesting reimbursement from SBCTA for the MLHP funds as well as requesting reimbursement from granting agencies for grant funds related to the Project. The City will receive direct payment from SBCTA for its share of the County's portion of the Project in addition to the City's portion. The City will subsequently invoice SBC for the balance of their portion of the costs related to construction within their jurisdiction.

Further, the City will receive direct reimbursement for the Senate Bill (SB) 1 Local Partnership Program (LPP) competitive grant funds and the CalRecycle grant funds awarded to the Project. SBCTA is utilizing SB1 LPP formula funds which will also be reimbursed directly to the City.

FISCAL IMPACT

Funding has been included in the Fiscal Year (FY) 2021-22 Capital Improvement Program (CIP) Budget, under Construction Order Numbers (C.O. Nos.) 7094, 7131, 7139, 7146, and 7154, for a combined budget of \$44,951,604 for the Ranchero Road Improvements-Seventh Avenue to Mariposa Road, Traffic Signal at Ranchero Road/Maple Avenue, Ranchero Road Aqueduct Crossing, Traffic Signal at Ranchero Road/Cottonwood Avenue, and Traffic Signal at Ranchero Road/Seventh Avenue, collectively referred to as the Ranchero Road Corridor Widening Project. Funds will be incorporated in the FY 2022-23 CIP budget as needed to complete the project. The estimated costs related to the Project and each agency's share are as follows:

Expense Description	Estimated Future			
	Project Costs	City Share	County Share	SBCTA Share
Roadway Construction	24,302,214	5,779,816	4,694,528	13,827,870
Bridge Construction	13,613,416	8,018,302	-	5,595,114
Construction Contingency (10%)	3,791,563	1,379,812	469,453	1,942,298
Construction Award Subtotal	\$ 41,707,193	\$ 15,177,930	\$ 5,163,981	\$ 21,365,282
Construction Management	6,703,178	2,482,611	806,183	3,414,384
Other Construction Related	400,000	85,405	82,620	231,975
Administration	75,000	42,500	32,500	-
Design Support	349,990	174,995	174,995	-
Other Pre-Construction Related	190,000	103,900	45,000	41,100
Other Anticipated Costs Subtotal	\$ 7,718,168	\$ 2,889,411	\$ 1,141,298	\$ 3,687,459
Total Estimated Future Expense Through Project Completion	\$ 49,425,361	\$ 18,067,341	\$ 6,305,279	\$ 25,052,741
Funding				
LPP Grants	(16,095,000)	(2,900,000)	(1,000,000)	(12,195,000)
CalRecycle Grant	(250,000)	(100,000)	(150,000)	-
Developer Contribution	(12,665,910)	(12,665,910)	-	-
Total Agency Funded	\$ 20,414,451	\$ 2,401,431	\$ 5,155,279	\$ 12,857,741

Costs as presented herein this staff report, the figures above are simply estimates for informational purposes only to provide a general idea of costs going forward. Each category total is subject to change during construction in accordance with the total contract limits of previous Council and/or Board approved contracts, this contract under this staff report, and/or within the City's purchasing policy.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None