



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JANUARY 7, 2020

**DEPARTMENT:** PUBLIC WORKS

**FROM:** DAVID JACOBS, P.E., L.S., PUBLIC WORKS DIRECTOR

**THRU:** RODGER A. OLDS, P.E., CITY ENGINEER

**BY:** EDA HERRERA, P.E., SENIOR CIVIL ENGINEER

**TITLE:** SANBORN RD/HWY 101/ELVEE DR IMPROVEMENT PROJECT,  
CIP 9117

### RECOMMENDED MOTION:

It is recommended that City Council approve a resolution:

- 1) Approving the transfer of \$1.4 million from CIP 9218 to CIP 9117 to pay Granite Rock Company the extra work and increase in quantities; and
- 2) Authorizing the City Manager to approve and issue the necessary Contract Change Orders to close out the project.

### RECOMMENDATION:

It is recommended that the City Council approve a resolution to approve the transfer of \$1.4 million from CIP 9218 to CIP 9117 to fund the Extra Work and increase in quantities that Granite Rock has performed; and authorize the City Manager to approve and issue the necessary Contract Change Orders to close out the Sanborn Road/HWY 101/Elvee Drive Improvement project, CIP 9117.

### BACKGROUND:

On July 7, 2015, City Council awarded the Sanborn Road/US HWY 101/Elvee Drive Improvement Project CIP 9117 to Granite Rock company in the amount of \$5,399,130. The project is now substantially complete.

Through the course of construction this project was delayed and shut down and restarted six times due to environmental issues, utility conflicts, and constructability issues resulting in partial redesign during construction.

The multiple shut down and restarts resulted in additional costs to the City due to compensation to the contractor to address lost labor, idle equipment, rental costs, clean up and remobilization costs.

When work could not be conducted in one location of the project, inefficiencies occurred in other phases of the project. The interrupted schedule resulted in a piecemeal construction of items that were intended to occur in a specific sequence.

Additional work was also necessary to complete the project. The most notable additional work included the implementation and long-term maintenance of Storm Water Best Management Practices, removal and disposal of unsuitable material under the bridge footings, additional roadway construction to provide access to the reclamation ditch, and storm drain relocation.

The final change order for the project is currently being developed and negotiated with the contractor, however; the contractor has completed a substantial amount of work and is overdue for payment by the City. Invoices received by the City for this project covering the work through October 2019 amount to \$738,847.71. Currently there is \$92,463 available in CIP 9117. The requested transfer of funds will allow for the payment of the currently invoiced amounts, payment of retention withheld to date, and other anticipated billings to close the project.

This transfer is being requested now in order to expeditiously pay the contractor the overdue billings as the overdue amounts are subject to interest accrual per the contract.

Once the final contract change order is agreed upon, Staff will bring the project back to Council for acceptance and will provide the final cost of the project.

#### CEQA CONSIDERATION:

The environmental impacts of the proposed project have been analyzed in accordance with the California Environmental Quality Act (CEQA). An Initial Study was prepared to evaluate the potential impacts associated with the project. The City Council adopted the resolution to adopt the Mitigated Negative Declaration (MND) and the Mitigation and Monitoring Reporting Program (MMRP) for the Sanborn Road/U.S. Highway 101 and Elvee Drive Improvements Project, CIP 9117 on May 6, 2014.

#### STRATEGIC PLAN INITIATIVE:

This item relates to the strategic plan of “Well Planned City and Excellent Infrastructure”. The work performed on North Sanborn Road and Elvee Drive, where heavy truck traffic exists, will improve the level of service in this area and allow vehicles to move more safely and smoothly through this corridor.

#### DEPARTMENTAL COORDINATION:

Public Works Staff works closely with the Finance Department on the Capital Improvement Project budget.

#### FISCAL AND SUSTAINABILITY IMPACT:

The current budget for the Sanborn Elvee Project, Project No. 9117 is as follows:

<b>CIP#</b>	<b>Funding Source</b>		<b>Budget</b>	<b>YTD Expenses</b>	<b>Encumbrances as of 12/23/2019</b>	<b>Remaining Budget</b>
9117	Measure G funds	1200	1,061,524.37		969,061.37	92,463.29
9117	Local Traffic Impact Dev Fee Funds	2306	25,718.78	25,718.78		-
9117	Special Construction Bond Proceeds	5202	500,000	379,446.97	120,553.03	-
	<b>TOTAL</b>		<b>1,587,243.15</b>	<b>405,165.75</b>	<b>1,027,357.90</b>	<b>92,463.29</b>

Based on the estimated cost for Extra Work and increase in quantities, there are insufficient funds in the project to pay the contractor for work completed. The transfer of \$1.4 Million in Measure X bond proceeds from CIP 9218 into 9117 will allow the Sanborn/HWY 101/Elvee project to be funded and closed out. It is the intent of the Public Works Department to replenish CIP 9218 in Fiscal Year 20/21 with new Measure X revenue proceeds, in time for project award.

**ATTACHMENTS:**

Resolution