



Staff Report

City Council

Item No. {{section.number}}.A

Meeting Date: September 11, 2024

From: John A. Corella - Director of Public Works

Title: Award a Construction Contract to Contractor for HSIP Cycle 9B:
Varner Road Safety Improvements Project - CIP No. C08751

RECOMMENDATION:

To award a construction contract to Granite Construction Company in the amount of \$743,000 for the construction of Highway Safety Improvements Program (HSIP) Cycle 9B: Varner Road Safety Improvements project (C08751); and, approve a fifteen percent (15%) contingency in the amount of \$111,450 for any unforeseeable construction costs; making the total encumbrance \$854,450; and, approve a budget adjustment in the amount of \$73,665 by allocating funds from the Measure A Fund with account number 243-100-150-156-8800-8802; and, authorize the City Manager to execute the contract documents; and, authorize the City Engineer to request bonds and insurance for the project and issue the notice to proceed.

BACKGROUND:

In December 2018, the City of Cathedral City (City) was awarded a \$1,089,700 Highway Safety Improvements Program (HSIP) Cycle 9 grant to install safety improvements on Date Palm Drive from Interstate 10 (I-10) to Varner Road, and Varner Road from Date Palm Drive to Mountain View Road. The proposed improvements in the application included the installation of pavement rumble strips along the centerline and edge-lines of the roadways, installation of guardrail, and replacement of existing standard stop signs with solar-powered flashing stop signs at three (3) intersections.

In August 2019, a Caltrans Authorization/Agreement Summary (E-76) was approved obligating funding for the preliminary engineering design phase of the project, and a federal project number was issued in September 2019.

In January 2020, the City Council approved an agreement for professional services with Kimley-Horn and Associates, Inc. (KHA) to complete the preliminary design phase which included environmental studies and project design. Amendment No. 1 to the agreement incorporating additional technical studies to evaluate the impacts of the project on cultural resources was approved by Council in June 2021, and Amendment No. 2 extending the term of the agreement for additional twelve months was approved by Council in January 2023.

In January 2024, Caltrans and city staff held a meeting to discuss the dramatic increases in construction costs since the city submitted the original HSIP application and construction estimates in 2018. Caltrans recommended revising the project limits and proposed improvements to maintain the project within the HSIP grant funding allocation. The scope of the project was reduced to install centerline rumble strips, install flashing stop signs, and install guardrail along Varner Road between Mountain View Road to approximately 1 mile east of Date Palm Drive. Caltrans approved the changes in the scope of the project on January 16, 2024.

In February 2024, KHA completed the final plans, specifications, and estimates (PS&E) for this project. Subsequently, city staff submitted the request for funding allocation (RFA) for the construction phase that was approved by Caltrans on April 18, 2024, allowing the city to proceed with the construction phase for this project.

Following federally funded projects requirements, the city issued a request for proposals and qualifications (RFP/Q) seeking qualified professional consultant companies to perform construction engineering support services. On April 24, 2024, the City Council approved the agreement with Willdan Engineering (Willdan) to perform construction engineering support services for this project. Willdan and city staff performed a constructability review and prepared the bid documents.

DISCUSSION:

On Friday, June 28, 2024, the city advertised an invitation to bid, requesting qualified contractors to perform the described scope of work found in Bid No. B24-60E, which includes the plans and specifications for these projects. This solicitation was made available to contractors for twenty-five (25) calendar days and advertised in the following locations:

Desert Sun - Published on June 28, 2024

PlanIt Print Works - From June 28, 2024 until July 23, 2024

City's Website - From June 28, 2024 until July 23, 2024

On July 23, 2024, the city did not receive any bid proposals for this project.

The city readvertised the invitation to bid on Wednesday, July 31, 2024. This solicitation was made available to contractors for twenty-two (22) calendar days and advertised in the following locations:

Desert Sun - Published on July 31, 2024

PlanIt Print Works - From July 31, 2024 until August 22, 2024

City's Website - From July 31, 2024 until August 22, 2024

On August 22, 2024, the City received one (1) bid proposal for this project from Granite Construction Company's (Granite) in the amount of \$743,000. Granite from Indio, CA was the only responsive and responsible bidder.

City staff contacted Caltrans Office of Local Assistance Division of Planning and received confirmation the city would be able to award the project after receiving only one bid proposal.

Engineering staff is recommending the City Council award a construction contract to Granite Construction Company in the amount of \$743,000 for the construction of Highway Safety Improvements Program (HSIP) Cycle 9B: Varner Road Safety Improvements Project (C08751); and, approve a fifteen percent (15%) contingency in the amount of \$111,450 for any unforeseeable construction costs; making the total encumbrance \$854,450; and, approve a budget adjustment in the amount of \$73,665 by allocating funds from available Measure A Funds - account number 243-100-150-156-8800-8802; and, authorize the City Manager to execute the contract documents; and, authorize the City Engineer to request bonds and insurance for the project and issue the notice to proceed.

All work will be performed within the existing city right-of-way. Construction is scheduled to start in December 2024 and is estimated to be completed in February 2025.

Environmental Analysis:

The Project has received environmental clearances through the National Environmental Policy Act (NEPA) process from the State Historic Preservation Officer (SHPO) and the Tribal Historic Preservation Officer (THPO). A Notice of Exemption (NOE) was filed with the County of Riverside and the Department of Fish and Wildlife per the California Environmental Quality Act (CEQA) requirements on October 27, 2023. No permits will be required from the U.S. Army Corps of Engineers.

FISCAL IMPACT:

The total grant funding obligated from HSIP Cycle 9 included funds for preliminary engineering (PE), construction engineering (CE), and construction (CON), in the amount of \$1,089,700.

The PE phase has been completed, leaving a balance of HSIP grant funds in the amount of \$895,200 for CE and CON of the Project.

On April 24, 2024, the City Council awarded the CE phase to Willdan Engineering in the amount of \$114,415. The remaining balance of HSIP grant funds for the construction of the project is in the amount of \$780,785.

HSIP Funds for CON and CE	\$895,200
Willdan Engineering (CE phase)	\$114,415
HSIP Funds Remaining for CON	\$780,785

Granite's bid was in the amount of \$743,000. City staff is proposing to include 15% contingency, in the amount of \$111,450, for an estimated construction cost of \$854,450.

Granite Bid	\$743,000
15% Contingency	\$111,450
Estimated Construction Cost	\$854,450

To account for the difference between the HSIP grant funds remaining for construction and the estimated construction cost, staff is proposing to allocate available Measure A funds in the amount of \$73,665.

Estimated Construction Cost	\$854,450
HSIP Funds Remaining for CON	\$780,785
Measure A Funds (available)	\$ 73,665

Thus, staff is requesting a budget amendment in the amount of \$73,665 from available Measure A Funds to complete the project.

The following table summarizes the budget allocations for the construction of the project.

FISCAL YEAR	DESCRIPTION	GENERAL LEDGER ACCOUNT CODES	PROJECT CODE	AMOUNT	ONE TIME or ONGOING
2024-2025	HSIP 9B Fund	331-100-150-156-8800-8802	C08751	\$780,785	ONE TIME
2024-2025	Measure A Funds	243-100-150-156-8800-8802	C08751	\$ 73,665	ONE TIME
	Total			\$854,450	

FIVE-YEAR STRATEGIC PLAN:

GOAL B: COMMUNITY INVEMENTS

OBJECTIVE: Cathedral City roads, gateways, public spaces, and other infrastructure are well planned, designed, constructed and maintained.

ATTACHMENTS:

1. HSIP 9B Project Location
2. HSIP 9B Bid Tabulation
3. Contract