



Staff Report

City Council

Item No. {{section.number}}.G

Meeting Date: June 26, 2024

From: John A. Corella - Director of Public Works

Title: Notice of Completion for FY 2023-2024 Rubberized Emulsion Aggregate Slurry (REAS) Projects

RECOMMENDATION:

To accept and approve the following REAS Projects: Panorama Neighborhood streets (C08681), Sunny Lane Neighborhood streets (C08682), and Victoria Drive Neighborhood streets (C08683), as final; and authorize the City Manager to file a Notice of Completion with the Riverside County Recorder's Office; and authorize the release of retention funds to Petrochem Materials Innovation, LLC (PMI) upon expiration of the Notice of Completion.

BACKGROUND:

On March 27, 2024, the City Council approved a construction contract with Petrochem Materials Innovation LLC. (PMI) in the amount of \$1,114,598.46 with a 15% contingency of \$167,189.54 for unforeseen construction circumstances, inspection and other technical services related to the Project, thereby making the total construction budget \$1,281,788.00 for the Project.

The scope of the Project consisted of application of Rubberized Emulsion Aggregate Slurry (REAS) on Panorama Neighborhood streets, Victoria Drive Neighborhood streets, and Sunny Lane Neighborhood streets, including traffic control, crack seal, and striping replacement.

DISCUSSION:

Construction started on April 15, 2024, and was completed on June 14, 2024.

Vista Chino was listed as an alternate street on the Panorama Neighborhood Street REAS Project. During the construction of the project, staff city staff removed Vista Chino from the REAS project in order to seek funding for a more comprehensive restoration effort. This removal of the Vista Chino work reduced the overall contract amount by \$111,492.99.

City Staff reviewed and inspected the improvements and found the Project was built in accordance with all contract requirements, and therefore recommends the City Council accept the Project as complete.

City Council acceptance is required to approve the Project's final contract amount and release retention funds. Retention funds are monies earned by the Contractor that are withheld from progress payments pending satisfactory completion and final acceptance of the Project.

Additionally, City Council acceptance of the Project requires that a Notice of Completion (NOC) be filed with the Riverside County Recorder's office. The NOC is a written notice issued by the owner of a Project, or their agent, to notify concerned parties that all work on the Project has been completed. This notice also sets the period, which is thirty-five (35) days from the date the NOC is filed, within which concerned parties may exercise their lien rights against one another. Once the thirty-day period has expired, and provided no claims or liens are received, the City can release retention funds.

City Staff recommends that the City Council to accept and approve the following REAS Projects: Panorama Neighborhood streets (C08681), Sunny Lane Neighborhood streets (C08682), and Victoria Drive Neighborhood streets (C08683), as final; and authorize the City Manager to file a Notice of Completion with the Riverside County Recorder's Office; and authorize the release of retention funds to Petrochem Materials Innovation, LLC (PMI) upon expiration of the Notice of Completion.

FISCAL IMPACT:

The fiscal impact of the construction contract with PMI is as follows:

Authorized Construction Funding

Project	Funding Source	Amount
Panorama Neighborhood	SB-1/RMRA - Fund 248	\$115,396.03
Panorama Neighborhood / Alternate	SB-1/RMRA - Fund 248	\$111,492.99
Victoria Drive Neighborhood	Measure A - Fund 243	\$77,226.51
Victoria Drive Neighborhood (AD)	AD 2003-01 - Fund 352	\$636,298.32
Sunny Lane Neighborhood	Measure A - Fund 243	\$174,184.61
PMI Estimated Amount		\$1,114,598.46
15% Contingency		\$ 167,189.54
Total Authorized Construction Funding		\$1,281,788.00

Construction Cost

The total contract amount with PMI LLC. was in the amount of \$1,114,598.46.

The final construction expenditures with PMI LLC. were in the amount of \$812,713.30. Note the removal of the Vista Chino work reduced the overall contract amount by \$111,492.99 with the total final contract cost summarized below:

Council Authorization	Project Budget	Actual Charges	Remaining Budget
Original Contract	\$1,114,598.46	\$812,713.30	\$301,885.16
Contingency	\$ 167,189.54	\$0.00	\$167,189.54
Change Orders			\$0.00
Payments to Date		\$772,077.63	\$0.00

Retention Due		\$ 40,635.67	
Totals		\$ 812,713.30	\$469,074.70

The final invoice (5% retention) in the amount of \$40,635.67 will be released 35 days from the date that the NOC is filed if there are no claims or discrepancies in the work completed.

FIVE-YEAR STRATEGIC PLAN:

GOAL B: COMMUNITY INVESTMENT

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

Action B-15: Develop a 5-Year pavement maintenance strategy and funding plan to achieve a citywide Pavement Quality Index that ranks in the Top 3 of Coachella Valley cities.

ATTACHMENTS:

1. Notice of Completion