



Agenda Report

File #: 20-0568

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 07/01/2020

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

Public Hearing for City Council consideration of adopting the Plans and Specifications for the Overlook Street Improvements on Nelson Street, Courtney Street, Duncan Way, and Howe Street, Project No. 2015-02, NIB 20-047CA, the Local Traffic Facilities Development Impact Fee Study; and award the bid.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt the Plans and Specifications for the Overlook Street Improvements on Nelson Street, Courtney Street, Duncan Way, and Howe Street ("Project"), Project No. 2015-02, NIB 20-047CA, the Local Traffic Facilities Development Impact Fee Study.
- b. Award the bid to Lee & Stires, Inc., the lowest responsive, responsible bidder, for the total bid amount of \$512,633, and waive any and all minor irregularities in the bidding documents as submitted by said bidder.
- c. Authorize the City Manager, or Acting Public Works Director, to execute the Construction Contract with Lee & Stires, Inc., in the amount of \$512,633, and approve necessary change orders up to ten percent of the contract amount.
- d. Authorize the Purchasing Manager to issue a purchase order to Lee & Stires, Inc., in the amount of \$512,633, for the construction services.
- e. Adopt the Local Traffic Facilities Development Impact Fee Study for the Overlook Street Improvements on Nelson Street, Courtney Street, Duncan Way, and Howe Street.

- f. Appropriate \$48,785.19 to the Overlook Street Improvements Capital Improvement Project within the Gas Tax Fund.

ANALYSIS:

The Overlook Street Improvement Project will install missing curb and gutter, AC paving and other ancillary improvements on Nelson Street, Courtney Street, Duncan Way, and Howe Street. The Overlook Area was subdivided in 1925 and dedicated the lots for street purposes, but they were not required to improve them.

As the area developed, each property owner, prior to obtaining a building permit, was required to construct, or guarantee the construction of the public improvements fronting their property. The width of each lot in this section of the Overlook Area is typically about 50 feet wide and without a master developer, this area did not develop in an orderly manner.

The property owners of seven (7) lots have paid the fair share fees to construct the missing public improvements and the property owners of nine (9) lots have elected to have liens recorded against their properties to guarantee the work. Six (6) property owners have elected to construct the curb and gutter, and base pavement using the city prepared plans. These properties will reimburse the City the cost for the preparation of the plans and for the final AC cap that will provide a consistent and uniform improvement when completed.

Properties with liens were sent certified letters on May 8, 2018, and again on December 5, 2019, to give the property owners "90-Day Notice to Construct Street Improvements" per Provision 2 of their Lien Agreement. If the residences fail to complete the street improvement within 90 days, the City has the right to construct said improvements and the property owners are required to reimburse the City the cost of the improvements. There are currently twenty-one (21-50' width) lots out of forty-three (43-50' width) lots that are developed, and the residences have requested that the street fronting their properties be improved.

On August 7, 2019, agenda item 19-0706, Public Works Department gave a presentation to the Infrastructure Committee on the Overlook Development Impact Fees (DIF) for Nelson Street, Courtney Street, Howe Street, and Duncan Way. The preferred mechanism for the City to recover costs to construct the improvements from owners of the lots that will benefit from the improvements is by establishing a DIF. The City provided a notice in a general circulation newspaper on June 3 and 10, 2020, pursuant to Government Code 6062a which requires a notice at least 10 days prior to the Public Hearing and at least 5 days apart.

Willdan Financial Services completed the DIF, which would ensure that all the properties pay their fair share of the construction and design cost for the Overlook Street improvements with the exception of those properties that have satisfied their improvement requirements by either paying the City the estimated improvement cost when they pulled permits, or those who actually constructed their required improvements. Per Government Code Section 66000, a DIF is a monetary exaction imposed in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project. The DIF costs were determined by using the unit price cost from Lee & Stires, Inc., bid, the design cost and the

estimated inspection fees. The cost per linear foot was determined by dividing the project cost over the linear feet of the proposed street improvements, with the exception of 6 lots that the developer has constructed the curb and gutter, and the City will be reimbursed for the final AC cap.

The cost per linear foot of street improvements has been determined to be \$288.47. For a typical 50-foot-wide lot, their fair share fee will be \$14,424 and for a lot with 230 feet of frontage the fee will be \$66,348. These fees will be collected when the undeveloped properties obtain building permits and from the property owners with lien agreements when the fee study is approved. The fees will be adjusted on an annual basis to account for inflation based on the Engineering News-Record.

There have been discussions on what is the best way to determine what is the fair share cost and staff recommends that dividing the total cost over the frontage improvements is the best and most fair method. We understand that some corner lots with two sides of their lots fronting onto the street will pay significantly more than those with only a single side, but this is consistent with how the liens were developed and improvement requirements were imposed when building permits were issued.

The plans for this project were completed by K&A and reviewed by City staff. The specifications for this project were completed by City staff and are ready for adoption and award.

As specified in the bid package, the City shall award the contract for the project to the lowest responsive, responsible bidder as determined from the lowest total for the summation of Base Bid Schedule A alone.

The Project location and limits are shown on Exhibit "A."

The project was advertised for Bids on March 13, 2020, per Corona Municipal Code and Public Contract Code requirements and is ready for adoption and award. On April 9, 2020, six (6) valid bids were received from contractors through the PlanetBids bidding service for NIB 20-047CA.

The following is a summary of the bid results and the Engineer's Estimate:

Contractor		Location	Base Bid Schedule A Amount
Engineer's Estimate			\$500,000.00
1	Lee & Stires, Inc.	Ontario	\$512,633.00
2	Hardy & Harper, Inc.	Lake Forest	\$545,000.00
3	Vance Corporation	Bloomington	\$595,595.00
4	All American Asphalt	Corona	\$631,380.50
5	R.J. Noble Company	Orange	\$639,548.60
6	Horizons Construction Company	Orange	\$729,573.75

Staff reviewed all bids received and recommends awarding the contract based on the Bid Schedule for a total contract amount of \$512,633.00 to Lee & Stires, Inc., as the lowest responsive bidder. All licenses and references for Lee & Stires, Inc., have been reviewed and verified by City staff, and all

other documentation is in order.

City staff will perform the construction management, inspection, and geotechnical testing services will be performed by a Contract Consultant. Construction is tentatively scheduled to commence in July 2020, with completion anticipated by October 2020.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 1: Promote Public Safety; Objective C: Ensure adequate funding for investments and improvements in infrastructure that support public safety. Completion of the proposed project will repair, replace, and install infrastructure improvements that contribute to the safety and mobility of Corona residents.

FISCAL IMPACT:

The estimated construction costs are outlined as follows:

Construction	\$512,633.00
Contingency	\$51,000.00
Construction Support Services	\$130,000.00
Total Construction Costs	\$693,633.00

Staff recommends ten percent for contingency to complete extra work when unforeseen changes are encountered. With the recommended appropriation, funding for the Overlook Street Improvements Project (6833) is available as follows:

Account Name / Funding Source	Account	Total
General Fund 110	6833	\$18,754.98
Gas Tax Fund 222	6833	\$290,345.47
Additional Appropriation		+ \$48,785.19
Measure A Fund 227	6833	\$335,747.36
Overlook Street Improvements	6833	\$693,633.00

Fund	07/01/20 Est. Fund Balance	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Fund Balance Impacts	06/30/21 Est. Fund Balance
Gas Tax Fund 222	\$1,327,088	\$3,769,043	(\$3,694,122)	Appropriation (\$48,785)	\$1,353,224

Note: Includes other Gas Tax Fund items on the July 1, 2020 Council Agenda.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301(c) of the Guidelines for the California Environmental Quality Action (CEQA), which states that a project which consists of minor repairs and maintenance to existing facilities does not have a significant impact on the environment and is

therefore exempt from CEQA. This action involves minor repairs, maintenance and alteration of existing highways, streets, sidewalks, or similar features involving negligible or no expansion of use beyond that currently existing from the requirements of CEQA. Therefore, no environmental analysis is required.

PREPARED BY: BARRY GHAEMI, SENIOR ENGINEER

REVIEWED BY: TOM KOPER, P.E., ACTING PUBLIC WORKS DIRECTOR

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Exhibit A - Location Map
2. Local Traffic Facilities Development Impact Fee Study
3. Construction Contract