File #: 20-0758

AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION

DATE: 09/02/2020

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:
City Council consideration of a Partial Release of Retention to Riverside Construction Company, Inc.,
for the Cajalco/I-15 Interchange Project.

RECOMMENDED ACTION:
That the City Council:

a. Make a finding, pursuant to Public Contract Code section 9203, that more than fifty percent (50%) of the Cajalco/I-15 Interchange Project has been completed and satisfactory progress has been made on the Cajalco/I-15 Interchange Project.

b. Authorize the release of one-half of the contract retention being held to Riverside Construction Company, Inc., for the Cajalco/I-15 Interchange Project.

ANALYSIS:
On June 21, 2017, the City of Corona entered into a construction contract with Riverside Construction Company, Inc. ("Contractor"), in the amount of $44,583,469 to replace the existing Cajalco two-lane bridge with a standard six-lane bridge and reconfigure the on and off ramps to meet the projected traffic volumes for the year 2035 ("Cajalco/I-15 Interchange Project").

In accordance with the Public Contract Code Section 9203, the local agency is required to withhold not less than five percent (5%) of the contract price until final completion and acceptance of the project. However, at any time after fifty percent (50%) of the work has been completed, and if the legislative body finds that satisfactory progress is being made, it may make any of the payments in full for the actual work completed.

The Contractor's work on the Cajalco/I-15 Interchange Project has been substantially completed

except for a small electrical service switch to serve the on and off ramp traffic signal. It is estimated this change order will be approximately $30,000 and will be completed in approximately three months. The Cajalco/I-15 Interchange Project is ninety-nine percent (99%) completed and is open to the public but has not been accepted by Caltrans because of the electrical service switch. The City of Corona cannot file the Notice of Completion until after this change order work is completed.

Currently, the City is holding $2,504,000 in contract retention. Since the Cajalco/I-15 Interchange Project is ninety-nine percent (99%) complete and a change order estimated at $30,000 is the only item remaining to be completed, staff recommends that the City release one-half of the contract retention, or $1,250,000, now and thereafter release the remaining half in accordance with the construction contract and applicable state law. Staff recommends releasing half of the retention at this time because the change order is due to a conflict between Southern California Edison and Caltrans and was not caused by the Contractor. The City will still be holding $1,250,000, which will provide adequate protection in case any liens are filed.

For this reason, City staff recommends that the City Council authorize the partial release of one-half of the retention being held to Riverside Construction Company, Inc.

COMMITTEE ACTION:
Not applicable.

STRATEGIC PLAN:
Not applicable.

FISCAL IMPACT:
This action will not have a fiscal impact on the City as the retention is due to the Contractor for work already completed on the Cajalco/I-15 Interchange Project. Staff believes that the remaining $1,250,000 held in retention will be sufficient to pay any liens that may be filed.

ENVIRONMENTAL ANALYSIS:
Since Caltrans has the oversight role on the Cajalco/I-15 Interchange Project, they reviewed and approved the Project Environmental Studies and made the determination that the Project is categorically exempt as a General Rule exemption under California Environmental Quality Act (CEQA) and qualifies for a categorical exclusion under National Environmental Policy Act (NEPA) Section 6005 of 23 U.S.C. 327.

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

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER