



Legislation Text

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**REQUEST FOR CITY COUNCIL ACTION**

DATE: 07/03/2024

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

**SUBJECT:**

AWARD CONSTRUCTION CONTRACT WITH GRANITE CONSTRUCTION COMPANY IN THE AMOUNT OF \$6,551,000, NOTICE INVITING BIDS 24-081CA; AND APPROVAL OF A SECOND AMENDMENT WITH ALTA PLANNING + DESIGN INC. FOR A TERM EXTENSION AND ANNUAL COMPENSATION ADJUSTMENT FOR THE CITY OF CORONA GREEN ALLEYS PROJECT NO. ST-2023-03 FOR THE CITY OF CORONA GREEN ALLEYS PROJECT, NO. ST-2023-03.

**EXECUTIVE SUMMARY:**

This action is to award Notice Inviting Bids 24-081CA and approve the construction contract with Granite Construction Company for the total bid amount of \$6,551,000 for the City of Corona Green Alleys Project, No. ST-2023-03. A second amendment with the design consultant, Alta Planning + Design, is also requested to add compensation for increased consultant rates based on the cost of living adjustments for the term extension until June 30, 2025.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Adopt the Plan and Specification for the City of Corona Green Alleys Project, Project No. ST-2023-03.
- b. Award Notice Inviting Bids 24-081CA to Granite Construction Company, the lowest responsive, responsible bidder, for the total bid amount of \$6,551,000, and waive any and all minor irregularities in the bidding document as submitted by the said bidder.
- c. Approve the construction contract with Granite Construction Company for the City of Corona Green Alleys Project, No. ST-2023-03, in the amount of \$6,551,000.

- d. Authorize a budgetary transfer of \$3,532,456 from the Citywide Alley Improvements Capital Improvement Project No. ST-2016-02 to the City of Corona Green Alleys Capital Improvement Project No. ST-2023-03 within the Measure X Fund 120.
- e. Authorize the City Manager, or his designee, to execute the Construction Contract with Granite Construction Company in the amount of \$6,551,000, including any non-substantive extensions, change orders, purchase orders, and amendments up to \$655,100, which is equivalent to 10%.
- f. Approve the Second Amendment with Alta Planning + Design Inc. for a term extension through June 30, 2025, and associated fee schedule adjustment for the remainder of the term.
- g. Authorize the City Manager, or his designee, to execute the second amendment, including any non-substantive extensions, change orders, purchase orders, and amendments.

#### **BACKGROUND & HISTORY:**

Staff applied for the Clean California Local Grant Program funding to clean and beautify several alleys in the historical core of Corona and in areas classified as disadvantaged communities. On March 1, 2022, the California Department of Transportation, through the Clean California Local Grants Program, awarded the city \$5,000,000, with the city contributing \$715,000 for the Grant's local match. The City Council accepted the grant at its regular meeting on June 1, 2022. A key stipulation of the grant was that the project had to be constructed by June 30<sup>th</sup>, 2024.

The city's Green Alley Project includes multidimensional goals of the Clean California Local Grant Program, including reducing the amount of trash and debris in the public right-of-way, enhancing, rehabilitating, and restoring public spaces, enhancing public health by repurposing alleyways as low-stress pedestrian pathways, and advancing equity for underserved communities. The project's goals are to clean trash and debris, remove graffiti, install sustainable dusk-to-dawn solar lighting, install signage that identifies alleys as pedestrian pathways, communicate 'how to' request bulky trash pickups, and 'how to' report graffiti for its removal. The Project will install permeable pavement, allowing rainwater to infiltrate the local water table or aquifer, and conventional pavement will be installed to reclaim pedestrian areas and thoroughfares for the community.

Furthermore, the project supports the City's Strategic Plan: Goal 1, by promoting public safety and protecting our residents and businesses; Objective C, ensuring adequate funding for investment and improvement in infrastructure that supports public safety. In addition, supporting the city's General Plan: to consider limiting the vehicle right-of-way along key corridors within the downtown, substituting right-of-way formerly dedicated to vehicles to routes for pedestrians and bicyclists; to retrofit and improve existing streetscapes with pedestrian improvements, sidewalks, and specialty pavements, benches, and other features; and to encourage walkability.

On February 15, 2023, the City awarded a Professional Services Agreement to Alta Planning +

Design, Inc. (Alta) for \$977,565 and approved non-substantive extensions, change orders, and amendments up to 10%. On March 26, 2023, Alta completed the revised plans and specifications for the project and reviewed them with city staff. On November 29, 2023, the city published Notice of Inviting Bids (NIB) No. 24-040CA for the project. Two bidders submitted their bids by the January 1, 2024, deadline. The bids were approximately \$7.5-\$9 million, which was more than the project's budget. Moreover, the lowest bidder retracted on January 10, 2024.

After consulting with Caltrans staff about the lack of bidders and high bids, they approved a time extension to complete construction until December 31, 2024. This allowed staff more time to revise the project specifications and bid schedules to solicit more competitive bids effectively. Therefore, a first amendment with Alta was entered on May 16, 2024, for additional construction bidding and support efforts, increasing the agreement amount to \$1,000,505 which was within the 10% authority authorized by the Council.

**ANALYSIS:**

On May 1, 2024, Purchasing staff posted Notice Inviting Bids No. 24-081CA on the City's PlanetBids bidding portal to rebid the work and formally advertised the revised Project in the Sentinel Weekly, in accordance with Corona Municipal Code and Public Contract Code requirements for formal public projects. Three bids were received by the May 30, 2024, due date and time. The following is a summary of the bids' results:

<b>Contractor's Name</b>	<b>Location</b>	<b>BID for Schedule "A"</b>
GRANITE CONSTRUCTION COMPANY	INDIO, CA	\$6,551,000.00
IE GENERAL ENGINEERING INC.	BEAUMONT, CA	\$6,701,544.90
ALL AMERICAN ASPHALT	CORONA, CA	\$8,552,255.80

Staff has reviewed all bids and recommends awarding the contract to Granite Construction Company as the lowest responsive, responsible bidder based on the Bid Schedule for a total contract amount of \$6,551,000. City staff has reviewed and verified all licenses and references for Granite Construction Company, and all other documentation is in order. Should the City Council award the contract, construction for the project is tentatively scheduled to commence in August 2024 and be completed by December 2024, per extended grant funding requirements.

To complete engineering construction services and support tasks, an extension of the Professional Services Agreement with Alta is needed through June 2025. The consultant and the city negotiated a compensation fee adjustment to offset the cost of living and updated fee schedules for the contract term extension. This adjustment increased the contract by \$4,780, increasing the total contract amount to \$1,005,285, still under the 10% authority first authorized by the City Council. Therefore, staff recommends that the City Council approve the Second Amendment to the Professional Services Agreement with Alta, extending the term to June 30, 2025, and adjusting the fee schedule.

**FINANCIAL IMPACT:**

The city received \$5,000,000 from the Clean California Local Grant Program. As specified by the original grant application, the city is responsible for contributing a local match of \$715,000 for a total

project cost of \$5,715,000.

The remaining balance in the project budget is \$4,656,294 within the Measure X Fund 120 and Public Works Grants/Agreement Fund 243. Approval of the recommended actions will result in a budgetary transfer in the amount of \$3,532,456 from the Citywide Alley Improvements Capital Improvement Project No. ST-2016-02 to the City of Corona Green Alleys Capital Improvement Project No. ST-2023-03 within the Measure X Fund 120.

The estimated construction cost for this project is outlined as follows:

Construction.....	\$6,551,000
Construction Contract Change Orders (10%) .....	\$655,100
Consultant and City Staff Construction Support Services (15%).....	\$982,650
<b>Total Construction Costs .....</b>	<b>\$8,188,750</b>

**ENVIRONMENTAL ANALYSIS:**

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Act (CEQA), which states that the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of CEQA determination. This action involves improvements and repairs to existing alleys within the City of Corona. Therefore, no environmental analysis is required, and a Notice of Exemption has been filed with the County of Riverside.

**PREPARED BY:** GERARDO SANABRIA, ASSOCIATE ENGINEER

**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

**Attachments:**

1. Exhibit 1 - Construction Contract with Granite Construction Company
2. Exhibit 2 - Second Amendment to PSA with Alta Planning + Design Inc.
3. Exhibit 3 - First Amendment to PSA with Alta Planning + Design Inc.
4. Exhibit 4 - Professional Services Agreement with Alta Planning + Design Inc.
5. Exhibit 5 - Caltrans Grant Extension and Agreement