



## Council Agenda Report

From: Ditas Esperanza, Capital Projects Engineer

Subject: Approval of the Award of Construction Contract to Granite Construction for the Creston Road Corridor Improvements Phase 1 from South River Road to Orchard Drive

CEQA Determination: On July 25, 2018, the Community Development Department adopted the Mitigated Negative Declaration for the project and found that the Project would not have a significant effect on the environment after mitigation consistent with City's adopted Local CEQA Guidelines.

Date: October 3, 2023

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### Facts

1. In June 2016, the City received a Sustainable Community Grant from the California Department of Transportation (Caltrans). Grant funds were designated to be used to initiate and pay the costs to conduct a robust community wide visioning process for the ultimate improvements along the Creston Road Corridor from South River Road to Niblick Road.
2. In May 2017, the City hosted multi-day community workshops and meetings to solicit ideas and help establish a vision for the future of Creston Road. City staff and the consultant team reviewed the existing opportunities and constraints along the corridor while translating the community's input into a proposed design alternative to improve the corridor.
3. At the [February 6, 2018](#) City Council meeting, the Council adopted the Preferred Alternative for Creston Road Corridor.
4. Staff applied for an Active Transportation Program (ATP) grant twice for this project and has not been successful either time. Since funding for construction of the entire corridor was not successful, City Council directed staff to provide a phased approach for completion: Phase 1, from South River Road to Orchard; and Phase 2, from Orchard to Niblick Road.
5. Phase 1 plans were completed and advertised for bids on May 3, 2023. At the bid opening on June 22, 2023 no bids were received. City staff contacted several contractors in the area to find out why a bid was not submitted. Their responses were all similar in that they were at maximum capacity and could not bid on any new projects. They recommended readvertising and awarding a contract in late 2023, with the caveat that a Notice to Proceed would be issued in early 2024.
6. On July 12, 2023, the bid was advertised for a second time. The bid documents included a timeline for construction to begin in early 2024.
7. At the bid opening on August 3, 2023, four bids were received as follows:

Company	Bid Amount
Granite Construction	\$8,448,751.00
CalPortland Construction	9,316,789.25
Raminha Construction	9,821,786.00
Papich Construction	11,577,090.00

8. Granite Construction had the lowest responsive and responsible bid. The City engaged the services of North Coast Engineering (NCE) to prepare the plans, specifications, and estimates (PS&E), for Creston Road Phase 1. NCE's continued services are required as the project moves to the construction phase. They will provide construction management services which will include construction staking, compaction testing, materials control, observe and monitor day to day activities during all phases of construction, respond to and track questions from the contractor to clarify design details, and review and monitor quantities of items installed for payment. North Coast Engineering's fee to perform the above tasks is \$860,000.

### Options

1. Take no action;
2. Approve the resolution to award construction contract to Granite Construction, in the amount of \$8,448,751.00, construction management services to North Coast Engineering, in the amount of \$860,000, and appropriate \$2.4 million from Measure E-12 reserves (described below); or
3. Provide alternative direction to staff.

### Analysis and Conclusions

Staff reviewed the low bid submitted by Granite Construction and found it to be a responsive and responsible bid.

### Fiscal Impact

The total cost of the construction contract to Granite Construction is \$8,448,751; the total cost of construction management to North Coast Engineering is \$860,000; for a total cost of approximately \$9.3 million. This project has been included in the City's Capital Improvement Program for several years and currently has an available budget of \$8,041,500 (funded with several sources including Measures E-12 and J-20, Gas Tax Funds and SB 1 Funds). As a result, there is a budget shortfall of approximately \$2.4 million, as follows:

Budget Item	Amount
Granite Construction	\$ 8,448,751
North Coast Engineering	860,000
PG&E and Streetlights	200,000
10% Contingency	950,000
Total Updated Project Costs	10,458,751
Current Budget	8,041,500
Supplement Budget Request	<u>\$ 2,417,251</u>

The Engineer's Estimate for this project was \$6.4 million, approximately \$2 million less than the bids received. Contract awards exceeding the Engineer's Estimate was anticipated, in part, because the City did not receive any bids the first time the project was advertised, and only four bids were received at the second advertisement. Regardless, the City completed several street maintenance projects this past year under-budget such as Dry Creek Road, west-side slurry seal, Rambouillet/Nicklaus-area, and Country Club Drive. As a result, there is approximately \$3.0 million in Measure E-12 unappropriated reserves that can be used to complete this project.

### CEQA

CEQA Determination: On July 25, 2018, the Community Development Department adopted the Mitigated Negative Declaration for the project and found that the Project would not have a significant effect on the

environment after mitigation consistent with City's adopted Local CEQA Guidelines and, pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162, no substantial changes are proposed to the project, nor have there been substantial changes in circumstances, that would require major revisions of the MND, and no new information of substantial importance has become available.

**Recommendation (Option 2)**

Approve Resolution 23-XXX, authorizing the City Manager to award the construction contract to Granite Construction for the Creston Road Corridor Phase 1 project, in the amount of \$8,448,751; the construction management services to North Coast Engineering, in the amount of \$860,000; and to appropriate \$2.4 million from Measure E-12 reserves.

**Attachments**

1. Resolution 23-XXX – Award of Construction Contract Creston Road Corridor Improvement Phase 1