

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: March 19, 2024

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**To:** Honorable Mayor and City Councilmembers  
**From:** Mario Landeros, Interim City Engineer  
**Subject:** Bodega Avenue Bike Lanes and Rehabilitation Phase 1 - Budget Amendment / Notice of Completion

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**RECOMMENDATIONS:**

The item is to request Council action on the following two items:

- 1) Adoption of a Resolution approving a budget amendment to the Fiscal Year 2023-24 Capital Improvement Program (CIP) Budget for Bodega Avenue Bike Lanes and Rehabilitation Phase 1 Project CIP #0513-74.09. The proposed budget increase is \$89,588 and would come from the Grant24-OBAG2 Fund; and
- 2) Adoption of a Minute Order accepting improvements for public use and authorizing staff to file a Notice of Completion for Budget for Bodega Avenue Bike Lanes and Rehabilitation Phase 1 Project.

**EXECUTIVE SUMMARY:**

The requested actions are for: 1) adjusting the project budget to increase the overall costs by \$89,588 and reducing the cost to Measure M Transportation by \$19,412; and 2) filing the notice of completion with the Sonoma County Recorder. The source of funding for increasing the budget is the federal OBAG2 grant. The City can use the saved Measure M Transportation funds for other projects.

**Exec. Summary and Fiscal Impact sections that the City can use the saved Measure M funds for other projects**

**BACKGROUND AND DISCUSSION:**

Bodega Avenue Bike Lanes and Rehabilitation Phase 1 (the Project) is approved Fiscal Year 2023-24 CIP Project #0513-74.09. On May 16, 2023, Council awarded the Project construction contract to Argonaut Constructors Inc. (Contractor) for \$993,775. On November 7, 2023, Council adopted Resolution No. 6562-2023 for approving a budget amendment increase from the original budget of \$1,245,000 to \$1,348,700. The final Project cost, which consists of the construction contract and support service (including construction management and inspection, construction engineering support, materials testing, and project management), is \$1,438,288. This is an increase of \$89,588 over the approved budget. The final construction cost is \$1,218,066, which includes an increase of \$224,291, or approximately 22.6%, over the original awarded contract amount. This increase is the result of several issues that arose once construction started, and which include the following:

- 1) Discovery of unforeseen underground obstructions (including traffic signal conduits, abandoned storm drain, unstable subsurface conditions, etc.) required re-routing traffic signal wiring, removing and replacing storm drainpipes and connecting to an existing manhole, over-excavating unsuitable materials and stabilizing bottom of the trench. Payment for the required additional work was on time & materials basis at a cost of \$49,041.
- 2) Additional bid item quantities for adjusting utility iron covers for manholes and vaults within pavement area to be resurfaced, which resulted in Council approving a budget amendment increase (November 9, 2023). Payment was on a negotiated unit price basis for each additional item of work for a total cost of \$100,900.
- 3) Unanticipated repair to a section of storm drain with a previously unknown connection and not shown on City base maps, that inadvertently got removed or destroyed during prior work and caused flooding at the intersection of Bodega Ave. & Dutton Ave. during storms last October. The repair required additional work on time and materials basis and cost \$19,586.

- 4) Final quantities of various contract bid items increased from the initial estimated bid quantities once materials used were measured in place. Variations between the initial estimated and final measured in place quantities occurs periodically as a result of existing field conditions that require adjustments in the amount of demolition, removal, placement, etc. of various items of work to complete the project in compliance with plans and specifications. The increased amount on the basis of bid unit prices is \$54,764.

The Project, which consists of pavement resurfacing, new bike lanes and shared bikeways, and pedestrian safety improvements including crosswalk enhancements and ADA-compliant curb ramps, is located on Bodega Avenue from High Street to Nelson Way. The contractor has completed the work (including correction items) and has submitted all federal forms required under grant funding agreements, within the contract time of completion. The work has been inspected and approved by the City Engineer and is ready for the Council's acceptance.

A Notice of Completion is attached and will be filed with the Sonoma County Recorder pending City Council's accepting the improvements for public use and authorizing filing of the notice.

**STAFF ANALYSIS:**

Proposed Budget Amendment: The request for amending the Project budget is necessary in order to compensate Argonaut for the final construction price of \$1,218,066. The proposed funding allocation shown below in Table 1 will increase the authorized amount of Grant-OBAG2 to the maximum federal reimbursement allowable under the federal guidelines, which is 88.53% of the cost of federal participating work. In addition to covering the additional construction price, the increase in Grant-OBAG2 allocation will reduce the allocation from Measure M Transportation Fund by the amount of \$19,412.

Notice of Completion: With the completion of all work and requirements on or about February 23, 2024, and the enjoyment by the public of the finished public improvements, and the Project is ready for Council acceptance.

Pursuant to the Public Contract Code, the City has retained a portion of progress payments (5% retention) made to the contractor, and upon completion of work will release the retention within 60 days after date of completion (on or about April 23). In addition, once the Notice of Completion is recorded, claims made against the Project (e.g. claim for "stop payment") will not be valid 30 days after recording the Notice of Completion (on or about April 19). Therefore, once the Council accepts completion of the work and the Notice of Complete is filed with the County Recorder, the City will release final retention on or before April 23, 2024.

**COMMUNITY OUTREACH:**

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

**FISCAL IMPACT:**

The adopted CIP budget for Fiscal Year 2023-24 for Bodega Avenue Bike Lanes and Rehabilitation Project 0513-74.09 is \$1,348,700. The proposed budget amendment of \$89,588 to accommodate the final cost of the Project including the final construction cost of \$1,218,066 is proposed to be funded as listed below shown in Table 1 shown on the following page. The City can use the saved Measure M Transportation funds for other projects.

Table 1 Adopted and Proposed Amended Budget

Fund No.	Fund Source	ADOPTED	PROPOSED	ADJUSTMENT (+/-)
211	Grant - OBAG 2	\$968,000	\$1,077,000	+\$109,000
123	Pavement Reserve Fund	\$84,000	\$84,000	None
201	Measure M Transportation	\$296,000	\$277,288	-\$19,412
Total		\$1,348,700	\$1,438,288	+\$89,588

**OPTIONS:**

No reasonable alternatives have been identified, given that the final construction price has been determined and that increasing the Grant-OBAG2 fund allocation to the maximum allowable reimbursement is appropriate.

**ATTACHMENTS:**

Resolution  
Notice of Completion

**APPROVALS:**

Department Head Approval: Approval Date: 3/11/24  
CEQA Determination (Planning): Approval Date: 3/13/24

The proposed action is not a project under the California Environmental Quality Act (CEQA)

If it is a project – Planning will need to include language

Administrative Services (Financial) Approval Date: 3/11/24

Costs authorized in City Approved Budget: ☐ Yes ☒ No ☐ N/A

Account Code (f applicable) \_\_\_\_\_

City Attorney Approval: Approval Date: 3/13/24

City Manager Approval: Approval Date: 3/12/24

RESOLUTION NUMBER: \_\_\_\_\_

CITY OF SEBASTOPOL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING A CIP BUDGET AMENDMENT FOR BODEGA AVENUE BIKE LANE AND REHABILITATION PHASE 1 PROJECT #CIP 0513-74.09

WHEREAS, City Council on May 16, 2023, awarded the construction contract to Argonaut Constructors, Inc. and authorized 10% of the contract for contingencies during construction; and

WHEREAS, on June 20, 2023 City Council adopted the Fiscal Year 2023-24 CIP Budget for Bodega Avenue Bike Lanes and Rehabilitation Phase 1 Project #CIP 0513-74.09 for construction and inspection in the amount of \$1,245,000; and

WHEREAS, City Council on November 7, 2023, adopted Resolution No. 6562-2023 thereby approving a budget amendment increase from the original budget of \$1,245,000 to \$1,348,700; and

WHEREAS, additional budget is needed to fund the total final cost of construction of Bodega Avenue Bike Lanes and Rehabilitation Phase 1 Project, which was completed on or about February 23, 2024; and

WHEREAS, a budget amendment to the adopted Fiscal Year 2023-24 Capital Improvement Program (CIP) budget to proposed expenditures and funding sources is necessary to compensate Argonaut Constructors, Inc. for the final construction price of \$1,218,066; and

WHEREAS, the adopted and proposed amended budget to incorporate the final cost of construction required for completion of Bodega Avenue Bike Lanes and Rehabilitation Phase 1 Project is shown in Table 1.

*Table 1 - Adopted and Proposed Amended Budget*

Fund No.	Fund Source	ADOPTED	PROPOSED
211	Grant - OBAG 2	\$968,000	\$1,078,000
123	Pavement Reserve Fund	\$84,000	\$84,000
201	Measure M Transportation	\$296,700	\$275,934
Total		\$1,348,700	\$1,438,288

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol does hereby approve a budget amendment for Bodega Avenue Bike Lanes and Rehabilitation Phase 1 Project #CIP 0513-74.09 from \$968,000 to \$1,078,000 from Grant - OBAG 2 Fund 211, no change from \$84,000 from Pavement Reserve Fund 123, and from \$296,700 to \$275,934 from Measure M Transportation Fund 201 as shown on Table 1 above.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 19<sup>th</sup> day of March 2024, by the following vote:

**VOTE:**

Ayes:

Noes:

Absent:

Abstain:

APPROVED: \_\_\_\_\_  
Mayor Diana Gardner Rich

ATTEST: \_\_\_\_\_  
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: \_\_\_\_\_  
Larry McLaughlin, City Attorney

**When Recorded Return to:**

City of Sebastopol  
P. O. Box 1776  
Sebastopol, CA 95473

Recorded for the benefit of the City of Sebastopol  
and exempt from recording fees pursuant to  
Government Code Section 27383.

(Space Above this Line is for Recorder's Use Only)

**NOTICE OF COMPLETION  
Contract 2023-01**

**NOTICE IS HEREBY GIVEN THAT:**

1. The undersigned is owner of the interest or estate below in the property hereinafter described.
2. The full name of the undersigned is the City of Sebastopol, a Municipal Corporation.
3. The address of the undersigned is P. O. Box 1776, Sebastopol, CA 95473
4. The nature of the title of the undersigned is owner in fee.
5. All work of improvement on the property hereinafter described was completed as of February 23, 2024.
6. The name of the original contractor for the work of improvement is Argonaut Constructors, Inc., of Santa Rosa, California.
7. The work of improvement is described as follows:

**Contract No. 2023-01  
Bodega Avenue Bike Lanes and Rehabilitation Phase 1**  
Original Contract Price: \$993,775.00  
Final Contract Price: \$1,218,066.03

I am the City Engineer for the City of Sebastopol, a Municipal Corporation, the owner of the indicated interest or estate in the property described above. I make this verification on behalf of the City of Sebastopol. I have read the Notice and know its contents. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

CITY OF SEBASTOPOL  
A Municipal Corporation

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mario Landeros, City Engineer