



**CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: May 19, 2026**

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To: Honorable Mayor and City Councilmembers

Requestor:

From: Oriana Hart, Public Works Director

Responsible Department: Public Works Department

Subject: Approval of Contract Change Order 3 and Budget Amendment for Bodega Avenue Bike Lanes and Pavement Rehabilitation Phase 2 Project (CIP No. 0514-22.06)

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RECOMMENDATION(S): Staff recommends that the City Council adopt a resolution to: 1) approve Contract Change Order 3 (CCO3) for Team Ghilotti, Inc. for an amount not to exceed \$133,633.10; 2) approve a Budget Amendment to the Capital Improvement Project Budget for the Bodega Avenue Bike Lanes and Pavement Rehabilitation Phase 2 Project for a total Project Budget of \$2,673,600.00; and 3) authorize the City Manager to execute contract change orders totaling up to 20 percent of the original Contract Award (if needed).

PROCESS OF AGENDA ITEM:

If the item remains on the Consent Calendar, no presentation is required and the item will be approved as part of the Consent Calendar. If the item is removed from the Consent Calendar, it will be heard as a regular agenda item and will proceed as follows:

- a. Presentation by staff
- b. Council questions and discussion
- c. Public comment
- d. Council deliberation and action

EXECUTIVE SUMMARY: The Bodega Avenue Phase 2 Project is currently under construction. The project was awarded in the amount of \$1,873,601, which included the base bid and bid alternates.

During construction, change orders have been issued to address field conditions and design refinements. These change orders have largely utilized the originally authorized contingency. Staff is now requesting approval to increase the contract amount to allow for completion of additional work at the intersection of Bodega Avenue and Virginia Avenue that will significantly improve accessibility and continuity of the pedestrian network.

The project is supported by a \$2.24 million Go Sonoma grant funding, and sufficient grant funding is available to cover the proposed increase. The grant requires a 15% local match.

BACKGROUND: The Bodega Avenue Bike Lanes and Pavement Rehabilitation Phase 2 Project continues improvements completed under Phase 1 and includes pavement rehabilitation, bike lane installation, curb ramp upgrades, sidewalk improvements, and associated work between Nelson Way and Pleasant Hill Road. The construction contract was awarded to Team Ghilotti, Inc. in the amount of \$1,873,601. A contingency of 10 percent, or \$187,360, was authorized to address construction changes.

Since construction began, the project has encountered field conditions and design adjustments that required issuance of change orders:

- Change Order No. 1, in the amount of \$27,580.76, addressed quantity adjustments, field directed changes, and additional work associated with curb ramps, traffic control, and utility coordination.
- Change Order No. 2, in the amount of \$120,205.74, addressed additional work associated with City-requested improvements to the project, along with field adjustments identified during construction, including curb and gutter



modifications, pedestrian ramp improvements to accommodate existing tree roots, bikeway enhancements required for grant funding eligibility, upgraded fencing improvements adjacent to the cemetery, and minor accessibility ramp design adjustments.

When the contract was awarded by Council on November 18, 2025, the City Manager was authorized to execute contract change orders up to 10 percent of the Total Contract Award of \$1,873,601.00, or \$187,360. CCO1 and CCO2 total \$147,786.50 and within the City Manager’s approval authority.

DISCUSSION: Staff is proposing Change Order No. 3 to address improvements at the intersection of Bodega Avenue and Virginia Avenue. This change order would extend and realign the sidewalk, including reconstruction of curb, gutter, retaining curb, and sidewalk, to provide a continuous and compliant path of travel through this segment of the corridor. This location currently represents a break in the accessible path of travel and does not provide consistent connectivity. The issue has been raised through community input and discussed at the Sonoma County Transportation Authority Citizens Advisory Committee on April 27, 2026 as an accessibility gap in the pedestrian network. If approved, the amount of CCO1, CCO2 and CCO3 would total \$281,419.60 and exceeds the amount that can be approved by the City Manager and therefore requires Council approval.

Constructing this sidewalk improvement at this time, while the contractor is mobilized and adjacent work is ongoing, is the most efficient and cost-effective approach. Deferring this work would likely result in higher future costs and continued accessibility limitations along the corridor.

STAFF ANALYSIS: The project remains within the overall funding capacity provided by the Go Sonoma grant and local match funds. The grant amount of approximately \$2.24 million provides sufficient capacity to fund this additional work. The proposed contract increase will allow staff to complete the project in a manner that improves accessibility, provides continuity of pedestrian facilities, and maximizes the value of the current construction effort.

The contract is ongoing and it is estimated that there will be additional contract change orders pertaining to striping changes and final bid quantities. For this reason, staff is requesting authorizing the City Manager to execute additional change orders of up to \$100,000, which would bring the total change order contingency to 20 percent of the original contract award.

While this contingency is higher than the typical 10 percent for construction projects, much of the additional cost is attributable to City-initiated scope changes. These improvements included upgrading the Valley View to Creek bikeway segment to a protected Class IV bikeway as required by SCTA for grant funding eligibility, fencing enhancements along the cemetery frontage associated with right-of-way acquisition and project improvements adjacent to the cemetery property, and this proposed additional sidewalk improvement to provide pedestrian accessibility. Collectively, these City-initiated scope changes accounted for approximately 12 percent of the original Contract Award.

Staff is requesting a budget increase to the CIP project budget as summarized in Table 1. The contingency is primarily for contract change orders for the contractor but includes a small amount for other incidental budget increases for project management, engineering and inspection.

Table 1: Adopted 2025-26 Project Budget versus Proposed Project Budget

Description	Adopted	Proposed
Project management and engineering	\$100,000.	\$100,000.
Construction	\$1,873,601.	\$1,873,601.
Construction management	\$300,000.	\$300,000.
Contingency	\$302,399.	\$399,000.
Total budget:	\$2,576,000.	\$2,673,600.
Difference (increase):	\$97,600.	



CITY COUNCIL GOALS/PRIORITIES/AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

- Goal 3 – Infrastructure. Maintaining high quality infrastructure, facilities and services includes repairing/ replacing outdated city facilities, improving streets, stormwater and wastewater infrastructure.

This agenda item represents the City Council General Plan Consistency (if applicable):

- Circulation CIR 1-11: Provide high quality regular maintenance for existing and future transportation facilities including streets, sidewalk, and paths.

PUBLIC COMMENT: As of the preparation of this staff report, no public comments have been received on this item. Any comments received after distribution of the report will be provided to the City Council as supplemental materials. Public comment will also be accepted during the meeting.

COMMUNITY OUTREACH: This item has been noticed and made available for public review in accordance with the Ralph M. Brown Act, at least 72 hours prior to the scheduled meeting.

FISCAL IMPACT: The adopted CIP project budget is \$2,576,000 with funding sources detailed in the accompanying chart from the adopted Fiscal Year 2025-26 CIP budget report.

This item was reviewed and recommended by the Budget Committee at the May 11, 2026 meeting

Table 2: Adopted Fiscal Year 2025-26 CIP Budget

EXPENDITURES	FISCAL YEAR						PROJECT TOTAL
	FY24-25 Estimated	2025-26	2026-27	2027-28	2028-29	2029-30	
9100 - Pre-construction (design, ROW, Environ)	2,500						0
9200 - Construction		2,576,000					2,576,000
EXPENDITURE TOTALS	2,500	2,576,000					2,576,000
FUNDING SOURCES							
000-Unfunded							0
123-Pavement Reserve Fund	2,500						0
201-Measure M Transportation		136,000					136,000
211-Transp Grant - Go Sonoma (SCTA)		2,240,000					2,240,000
213-Traffic Impact Fee Fund (TIF)							0
217-SB 1 Road Maintenance & Rehab		200,000					200,000
FUNDING TOTALS	2,500	2,576,000					2,576,000

Table 3 is the funding summary for the proposed increased budget of \$97,600.00 for the project. It is recommended that the funding come from Pavement Reserve Fund 123. If this funding allocation is approved, the estimated ending fund balance for Fiscal Year 2025-26 will be \$246,104.00.



Table 3 – Funding Summary

Fund Description	Adopted Budget Allocation	Proposed Budget Amendment	Change in Fund Allocation
Go Sonoma Grant	\$2,240,000.	\$2,240,000.	\$0.
Fund 201 Measure M Transportation	\$136,000.	\$136,000.	\$0.
Fund 217 SB 1 Road Maintenance	\$200,000.	\$200,000.	\$0.
Pavement Reserve Fund	0.	\$97,600.	\$97,600.
Total	\$2,576,000	\$2,673,600.	\$97,600.

RESTATED RECOMMENDATION(s): That the City Council adopt a resolution to: 1) approve Contract Change Order 3 (CCO3) for Team Ghilotti, Inc. for an amount not to exceed \$133,633.10; 2) approve a Budget Amendment to the Capital Improvement Project Budget for the Bodega Avenue Bike Lanes and Pavement Rehabilitation Phase 2 Project for a total Project Budget of \$2,673,600.00; and 3) authorize the City Manager to execute contract change orders totaling up to 20 percent of the original Contract Award (if needed).

CITY COUNCIL OPTION(S):

1. Reject Contract Change Order 3 for the Accessible Sidewalk extension at Virginia and Bodega Ave. and do not adopt the Resolution.

ATTACHMENTS:

- 1- Contract Change Order 3
- 2- Resolution
- 3- Exhibit A – Photos of Virginia Ave and Bodega Ave

APPROVALS:

Department Head Approval: Approval Date: 4/29/26

CEQA Determination (Planning): Approval Date: N/A

This project is Categorically Exempt pursuant to CEQA Guidelines Section 15301 (c). The NOE was filed with the Bodega Ave Bike Lanes Phase 1 Project on 6/21/22 and posted on 6/27/22.

Administrative Services (Financial) Approval Date: 5/7/26

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

Account Code (If applicable): Funds 201, 217, Go Sonoma Grant

City Attorney Approval: Approval Date: 5/5/26

City Manager Approval: Approval Date: 5/7/26

CITY OF SEBASTOPOL
RESOLUTION NO. XXXX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL APPROVING CONTRACT CHANGE ORDER 3 WITH TEAM GHILOTTI, INC. FOR AN AMOUNT NOT TO EXCEED \$133,633.10 AND APPROVING A BUDGET AMENDMENT TO THE CAPITAL IMPROVEMENT PROJECT BUDGET FOR THE BODEGA AVENUE BIKE LANES AND PAVEMENT REHABILITATION PHASE 2 PROJECT FOR A TOTAL PROJECT BUDGET OF \$2,673,600

CITY CONTRACT 2025-01 AND AUHTORIZE THE CITY MANAGER TO EXECUTE CONTRACT CHANGE ORDERS TOTALING UP TO 20 PERCENT OF THE ORIGINAL CONTRACT AWARD

WHEREAS, the Bodega Avenue Bike Lanes and Pavement Rehabilitation Phase 2 Project (“Project”) generally consists of installing bike lanes and repaving Bodega Avenue from Nelson Way to Pleasant Hill Road and Valley View Drive to Atascadero Creek Bridge, along with related improvements including curb ramps, sidewalk, and associated work; and

WHEREAS, City Council approved the Project in the adopted Fiscal Year 2025-26 Capital Improvement Plan (CIP #0514-22.06); and

WHEREAS, the City Council awarded the construction contract to Team Ghilotti, Inc. in the amount of \$1,873,601.00 and authorized a contingency of 10 percent to address construction cost changes; and

WHEREAS, during construction, Change Order No. 1 and Change Order No. 2 were issued to address field conditions, design refinements, and additional work necessary to complete the Project, substantially utilizing the authorized contingency; and

WHEREAS, staff has identified additional sidewalk and curb ramp improvements at the intersection of Bodega Avenue and Virginia Avenue are needed to provide a continuous and compliant accessible path of travel and will improve overall project functionality and accessibility; and

WHEREAS, the sidewalk work described above is included as Change Order No. 3 and exceeds the remaining contingency, requiring City Council approval for said change order; and

WHEREAS, sufficient funding is available within the adopted CIP Project budget, including Go Sonoma grant funds and local match funds for Contract Change Order No. 3; and

WHEREAS, construction work is ongoing and it is estimated that additional project funding will likely be needed to complete the project and provide contingencies; and

WHEREAS, a Budget Amendment for the adopted CIP project budget is recommended to allow for timely field decisions and contingencies for the construction; and

WHEREAS, the adopted and proposed amended budget to incorporate cost changes as described above and required to complete the project is shown in Table 1.

Table 1 – Adopted and Proposed Fiscal Year 2025-26 CIP Project Budget

Fund No.	Fund Description	Adopted CIP Budget	Proposed CIP Budget	Change in Fund Allocation
211	Go Sonoma Grant	\$2,240,000.	\$2,240,000.	\$0.
201	Measure M Transportation	\$136,000.	\$136,000.	\$0.
217	SB 1 Road Maintenance	\$200,000.	\$200,000.	\$0.
123	Pavement Reserve Fund	\$0.	\$97,600.	+ \$97,600
Total		\$2,576,000.	\$2,673,600.	+ \$97,600

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol hereby:

1. Approves Contract Change Order No. 3 with Team Ghilotti, Inc. (City Contract 2025-01) for amount not to exceed \$133,633.10 and authorizes the Interim City Manager to execute said change order.
2. Approves the Budget Amendment as proposed in Table 1 for the Bodega Avenue Bike Lanes and Pavement Rehabilitation Phase 2 Project (CIP #0514-22.06) from the designated funds and in the amounts shown on said table.
3. Authorizes the Interim City Manager to approve contract change orders totaling up to 20 percent of the original Contract Award, if needed.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 19th day of May 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:
Noes:
Abstain:
Absent:

APPROVED: _____
Mayor Jill McLewis

ATTEST: _____
Mary Gourley, City Manager

APPROVED AS TO FORM: _____
Alex Mog, City Attorney



Agenda Item Number 5

Current Issues



Agenda Item Number 5

Current Issues