

ITEM 4.15

CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

ITEM: ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR FISCAL YEAR 2022/23 CITYWIDE ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45 AND APPROVE RELATED BUDGET AMENDMENT

RECOMMENDATION: Adopt Resolution Accepting Public Improvements Constructed by George Reed, Inc. for Fiscal Year 2022/23 Citywide Road Maintenance and Rehabilitation, CIP PS 22-45, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds, and Approve Related Budget Amendment

SUMMARY:

On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. for the construction of Fiscal Year 2022/23 Road Maintenance and Rehabilitation, Capital Improvement Project (CIP) PS 22-45 (Project). The initial scope of work consisted of grinding and overlaying 3" of asphalt and installing new striping on Stonebridge Lane, Thomsen Road, J Street, and Prairie Dunes Drive. During construction, staff identified segments on Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane, and Mingo Way were in need of repair. On October 10, 2022, City Council approved a contract change order to include those roadway segments for the same pavement rehabilitation at an additional cost of \$760,530.

After completing the asphalt overlay on Reverend Maurice Cotton Drive, Shilling Avenue, and Avon Avenue, the absence of sidewalk, curb and gutter increased the gap between the travelled roadways and the residential driveways. To prevent storm water ponding and damages to vehicles, George Reed constructed transitions at the driveways to smooth the entrance and exit of residents. This additional work resulted in a contract change order of \$224,625. The total construction contract with George Reed, including change orders and additional work, amounted to \$2,929,014.

George Reed has completed construction of the Project. Staff has inspected the improvements which have been deemed complete and in accordance with the approved plans and specifications by the City Engineer. George Reed submitted lien releases, confirming all sub-contractors and suppliers have been paid in full, and a one-year maintenance bond (based on 10% of the construction contract) for the improvements to be accepted.

**CITY MANAGER'S REPORT
JULY 10, 2023 CITY COUNCIL REGULAR MEETING
ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR
FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS
22-45 AND APPROVE RELATED BUDGET AMENDMENT**

Staff requests City Council accept the improvements constructed by George Reed and approve related budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) to fund the overall construction of the Project.

Staff is also requesting City Council to authorize the filing of a Notice of Completion with the San Joaquin County Clerk, release of contract retention to George Reed in the amount of \$145,822 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

BACKGROUND:

On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. (George Reed) for construction of Capital Improvement Project (CIP) PS 22-45 for Fiscal Year 2022/23 Road Maintenance and Rehabilitation (Project). The initial scope of work consisted of removing and replacing 3" asphalt overlay and installing new striping on Stonebridge Lane, Thomsen Road, J Street and Prairie Dunes Drive.

During construction, deteriorated pavement conditions were observed in the vicinity of the Project along Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane, and Mingo Way. Staff identified the need to repair and the benefit to implement the Project's pavement rehabilitation to the additional locations inspected. On October 10, 2022, City Council approved a contract change order in the amount of \$910,530 and a budget amendment for \$760,530 to perform the pavement rehabilitation on the identified road segments.

After completing the asphalt overlay on Reverend Maurice Cotton Drive, Shilling Avenue, and Avon Avenue, the absence of sidewalk, curb and gutter increased the gap between the travelled roadways and the residential driveways. To prevent storm water ponding and damages to vehicles, George Reed constructed transitions at the driveways to smooth the entrance and exit of residents. This additional work resulted in a contract change order of \$224,625.

The awarded contract was in the amount of \$1,793,860 and a 15% construction contingency of \$269,079 was authorized for staff to use as necessary to achieve the goals of the project. The total construction budget for the Project was \$2,062,939.

The construction costs referenced below capture all expenditures:

A.	Construction Contract Amount	\$ 1,793,860
B.	Approved Change Orders	\$ 1,135,154
	Total Construction Costs	\$ 2,929,014

JULY 10, 2023 CITY COUNCIL REGULAR MEETING**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45 AND APPROVE RELATED BUDGET AMENDMENT**

Upon acceptance of the improvements, the performance and payment bonds (Performance Bond No. 30167861, Payment Bond No. 30167861) will be released and replaced with a warranty bond (Bond No. 30167861, \$291,643.82). The warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements. George Reed has also provided the necessary lien releases for the materials supplied and completed work.

George Reed has completed construction of the Project. Staff has inspected and the improvements have been deemed complete and in accordance with the approved plans and specifications by the City Engineer. George Reed submitted lien releases, confirming all sub-contractors and suppliers have been paid in full, and a one-year maintenance bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the improvements constructed by George Reed for the Project. Staff is also requesting City Council to authorize the filing of a Notice of Completion with the San Joaquin County Clerk, release of contract retention to George Reed in the amount of \$145,822 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

Staff is also requesting a related budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) to fund the construction cost of the additional work completed.

REASON FOR RECOMMENDATION:

The Project was completed by George Reed pursuant to the contract documents dated August 8, 2022. Staff has inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

The performance and payment bonds (Performance Bond No. 30167861, Payment Bond No. 30167861) will be released and replaced with a one-year warranty bond (Bond No. 30167861, \$291,643.82) upon City Council's acceptance of the improvements.

FISCAL IMPACT:

The final construction contract amount with George Reed for the Project is \$2,929,014. Contract change orders increased the project's construction cost by \$1,135,154. Staff is requesting a related budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) as follows:

CITY MANAGER'S REPORT **PAGE 4**
JULY 10, 2023 CITY COUNCIL REGULAR MEETING
ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR
FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS
22-45 AND APPROVE RELATED BUDGET AMENDMENT

<u>Decrease Street Repair Reserves</u>		
1010-251-03-00		\$125,092
<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$125,092
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 22-45	\$125,092
<u>Increase Appropriation</u>		
3310-8000-420-1200	PS 22-45	\$125,092

ATTACHMENTS:

- A. Resolution Accepting Public Improvements Constructed by George Reed, Inc. for Fiscal Year 2022/23 Citywide Road Maintenance and Rehabilitation, CIP PS 22-45, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds and Approve Budget Amendment

- B. Notice of Completion – Fiscal Year 2022/23 Road Maintenance and Rehabilitation, CIP PS 22-45

CITY MANAGER'S REPORT
JULY 10, 2023 CITY COUNCIL REGULAR MEETING
ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR
FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS
22-45 AND APPROVE RELATED BUDGET AMENDMENT

APPROVALS:



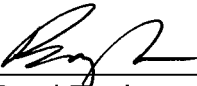
Angel Abarca
Assistant Engineer

06/26/2023
Date



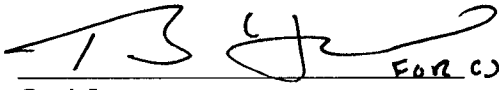
Ken Reed
Senior Construction Manager

6.27.2023
Date




Brad Taylor
City Engineer

6/28/2023
Date




Cari James
Finance Director

6/28/2023
Date



Michael King
Assistant City Manager

6/28/2023
Date



Salvador Navarrete
City Attorney

6.27.2023
Date



Stephen J. Salvatore
City Manager

7.5.23
Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR THE CITYWIDE ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45, AUTHORIZE THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, RELEASE OF PERFORMANCE AND PAYMENT BONDS AND APPROVE RELATED BUDGET AMENDMENT

WHEREAS, On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. for the construction of Fiscal Year 2022/23 Road Maintenance and Rehabilitation, Capital Improvement Project (CIP) PS 22-45 (Project); and

WHEREAS, the initial scope of work consisted of grinding and overlaying 3" of asphalt and installing new striping on Stonebridge Lane, Thomsen Road, J Street, and Prairie Dunes Drive; and

WHEREAS, during construction, staff identified segments on Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane, and Mingo Way in need of repair; and

WHEREAS, on October 10, 2022, City Council approved a contract change order to include those roadway segments for the same pavement rehabilitation at an additional cost of \$760,530; and

WHEREAS, after completing the asphalt overlay on Reverend Maurice Cotton Drive, Shilling Avenue, and Avon Avenue, the absence of sidewalk, curb and gutter increased the gap between the travelled roadways and the residential driveways; and

WHEREAS, to prevent storm water ponding and damages to vehicles, George Reed constructed transitions at the driveways to smooth the entrance and exit of residents. This additional work resulted on a contract change order of \$224,625; and

WHEREAS, the total construction contract with George Reed, including change orders and additional work, amounted for \$2,929,014; and

WHEREAS, George Reed has completed the construction of the project; staff has inspected the improvements which have been deemed complete and in accordance with the approved plans and specifications by the City Engineer; and

WHEREAS, George Reed has provided the necessary lien releases for the materials supplied and completed work; and

WHEREAS, George Reed has submitted a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted; and

WHEREAS, the performance and payment bonds (Performance Bond No. 30167861, Payment Bond No. 30167861) will be released and replaced with a one-year warranty bond (Bond No. 30167861, \$291,643.82) upon City Council's acceptance of the improvements; and

WHEREAS, staff is requesting City Council accept the public improvements constructed by George Reed for the Project; and

WHEREAS, staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk upon acceptance of the improvements and the release of the contract retention to George Reed, in the amount of \$145,822, within forty-five (45) days after the recording of the Notice of Completion and the release of the performance and payment bonds (Bond No. 30167861); and

WHEREAS, staff is also requesting a budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) to fund the construction cost of the additional work completed.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the public improvements constructed by George Reed for Fiscal Year 2022/23 Road Maintenance and Rehabilitation, CIP PS 22-45; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop authorizes the filing of the Notice of Completion with the San Joaquin County Clerk and the release of the contract retention to George Reed, in the amount of \$145,822 within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

BE IT FURTHER RESOLVED, that City Council also authorizes a budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) as follows:

<u>Decrease Street Repair Reserves</u>		
1010-251-03-00		\$125,092
<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$125,092
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 22-45	\$125,092
<u>Increase Appropriation</u>		
3310-8000-420-1200	PS 22-45	\$125,092

The foregoing resolution was passed and adopted this 10th day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

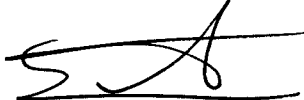
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330
Exempt from payment of recording fees (GC 11922)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

- That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:

NAME	STREET AND NO.	CITY	STATE
<u>City of Lathrop</u>	<u>390 Towne Centre Drive</u>	<u>Lathrop</u>	<u>CA 95330</u>

(If more than one owner of the interest stated, the name and address of each must be stated)
- That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.
- That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is:
Project No. CIP PS 22-45 Fiscal Year 2022/23 Road Maintenance and Rehabilitation Project by George Reed, Inc.
- That on the 10th day of July 2023 a work of improvement on the real property herein described was completed.
- That the name of the original contractor, if any, for said work of improvement was: George Reed, Inc.
- That the name and address of the transferor is:

NAME	STREET AND NO.	CITY	STATE
<u>George Reed, Inc.</u>	<u>140 Empire Avenue</u>	<u>Modesto</u>	<u>CA 95354</u>
- That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:

Project No. CIP PS 22-45 Fiscal Year 2022/23 Road Maintenance and Rehabilitation Project

CITY OF LATHROP

By: _____
Stephen J. Salvatore, City Manager Date

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: _____
Teresa Vargas, City Clerk Date

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **July 10, 2023** by **George Reed, Inc.** to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **July 10, 2023**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____

By

Stephen J. Salvatore, City Manager