CITY MANAGER'S REPORT FEBRUARY 12, 2024 CITY COUNCIL REGULAR MEETING

ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY **ITEM:** SINCLAIR GENERAL ENGINEERING CONSTRUCTION, INC. FOR FUELING FACILITY TANK FOOTINGS, CIP GG 21-13 **Adopt Resolution Accepting Public Improvements RECOMMENDATION:** Constructed by Sinclair General Engineering Construction, Inc. for Fueling Facility Tank Footings, CIP GG 21-13, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and **Release of Performance and Payment Bonds**

SUMMARY:

Sinclair General Engineering Construction, Inc. (Sinclair) has completed the construction of Fueling Facility Tank Footings, CIP GG 21-13 (Project). Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Sinclair has submitted lien releases confirming all subcontractors and suppliers have been paid in full and provided a one-year warranty bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the completed improvements constructed by Sinclair for the Project. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Sinclair of \$4,887 within forty-five (45) days after recording the Notice of Completion, and the release of performance and payment bonds.

BACKGROUND:

On August 14, 2022, City Council awarded a construction contract to Sinclair for the construction of the Project in the amount of \$81,664, with a 20% construction contingency of \$16,322 for staff to use as necessary to achieve the goals of the Project. The Project scope included constructing concrete footings and a slab for the placement of fuel tanks, piping and dispensers.

During construction, contract change orders (CCO) were issued for a final contract amount of \$97,744. The Project's costs referenced below capture all construction expenditures:

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A. Construction Contract	\$81,664		
B. Contract Change Orders	\$16,080		
Total Construction Contract Costs	\$97,744		

Upon acceptance of the improvements, the performance bond (Bond No. 2332607, \$81,664) and payment bond (Bond No. 2332607, \$81,664) will be released and replaced with a one-year warranty bond (Bond No. 2332607, \$8,166). The one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance due to any defective materials or workmanship in connection with the completed improvements. Sinclair has also provided the necessary lien releases for the materials supplied and completed work.

Staff requests City Council accept the improvements constructed by Sinclair for Fueling Facility Tank Footings, CIP GG 21-13. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Sinclair for \$4,887 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

REASON FOR RECOMMENDATION:

Sinclair has completed the Project pursuant to the contract documents dated August 14, 2022. Staff inspected the improvements and they have been deemed complete and in accordance with the plans and specifications approved by the City Engineer.

Sinclair has submitted a one-year warranty bond for the improvements to be accepted (based on 10% of the construction contract) and lien releases confirming all sub-contractors and suppliers have been paid in full. 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.

The performance bond and payment bond will be released and replaced with the oneyear warranty bond upon City Council's acceptance of the improvements.

FISCAL IMPACT:

The final construction contract amount with G&G for the Project is \$538,543.

Adequate funds have been allocated in the FY 2023-24 budget to close out Installation of Rubberized Surfacing, CIP PK 22-44. With the completion of the Project, staff requests that unused funds be transferred back to the original funding sources.

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CITY MANAGER'S REPORT FEBRUARY 12, 2024 CITY COUNCIL REGULAR MEETING ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY SINCLAIR GENERAL ENGINEERING CONSTRUCTION, INC. FOR FUELING FACILITY TANK FOOTINGS, CIP GG 21-13

ATTACHMENTS:

- A. Resolution Accepting Public Improvements Constructed by Sinclair General Engineering Construction, Inc. for Fueling Facility Tank Footings, CIP GG 21-13, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds
- B. Notice of Completion Fueling Facility Tank Footings, CIP GG 21-13

APPROVALS:

Steven Hallesbeah

Steven Hollenbeak Assistant Engineer

1.16.24

Date

Ken Reed Senior Construction Manager

Brad Taylor City Engineer

Cari James Finance Director

Michael King Assistant City Manager

Salvador Navarrete City Attorney

Stephen J. Salvatore City Manager

1-16-24

Date

1/17/2024 Date

1/18/2024

Date

1-17-2024 Date

1-18.2024

Date

2/=/24

Date

RESOLUTION NO. 24-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY SINCLAIR GENERAL ENGINEERING CONSTRUCTION, INC. FOR FUELING FACILITY TANK FOOTINGS, CIP GG 21-13, AUTHORIZING THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, AND RELEASE OF PERFORMANCE AND PAYMENT BONDS

WHEREAS, on August 14, 2022, City Council awarded a construction contract to Sinclair General Engineering Construction, Inc. (Sinclair) for the construction of Fueling Facility Tank Footings, CIP GG 21-13 (Project) in the amount of \$81,664 with a 20% construction contingency of \$16,322 for staff to use as necessary to achieve the goals of the Project; and

WHEREAS, the scope of work consisted of constructing concrete footings and slab for the placement of fuel tanks, piping and dispensing equipment; and

WHEREAS, during construction, contract change orders were issued for a final contract amount of \$97,744 the cost of which captures all construction expenditures; and

WHEREAS, staff inspected the improvements and the City Engineer deemed the improvements complete and in accordance with the approved plans and specifications; and

WHEREAS, Sinclair has provided the necessary lien releases for the materials supplied and completed work and a one-year warranty bond (based on 10% of total Project cost) for the improvements being accepted; and

WHEREAS, the performance bond (Bond No. 2332607, \$81,664) and payment bond (Bond No. 2332607, \$81,664) will be released and replaced with a one-year warranty bond (Bond No. 2332607, \$8,166) upon City Council's acceptance of the improvements; and

WHEREAS, the one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

WHEREAS, adequate funds have been allocated in the FY 2023-24 budget to close out the Project. With the completion of the Project, staff requests that unused funds be transferred back to the source Fund; and

WHEREAS, staff requests City Council accept the public improvements constructed by Sinclair for Fueling Facility Tank Footings, CIP GG 21-13; and

WHEREAS, staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to

Sinclair in the amount of \$4,887 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the completed public improvements constructed by Sinclair General Engineering Construction, Inc. for Fueling Facility Tank Footings, CIP GG 21-13, pursuant to the contract documents dated August 14, 2022; 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 Sinclair, in the amount of \$4,887 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 the City Council of the City of Lathrop approves the transfer of unused funds back to the original funding source.

The foregoing resolution was passed and adopted this 12th day of February, 2024 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

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:

 1. 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

City of Lathrop390 Towne Centre DriveLathropCA95330(If more than one owner of the interest stated, the name and address of each must be stated)

- 2. 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.
- 3. That the nature of the title of stated owner, or if more than one owner, then of the stated owner and co-owners is <u>fee title</u> (e.g. fee title, leasehold, joint tenancy, etc.).
- 4. That on the <u>12th</u> day of <u>February, 2024</u> a work of improvement on the real property herein described was completed.
- 5. That the name of the original contractor, if any, for said work of improvement was: <u>Sinclair General Engineering</u> <u>Construction, Inc.</u>

6.	That the name and address of the transferor is:					
	NAME STREE	Γ AND NO.	CITY		STATE	
			~	~ .		
	Sinclair General Engineering Construction, I	nc P.O. Box 1453	Oakdale,	<u> </u>	95361	

7. That the real property herein referred to is situated in the <u>City of Lathrop</u> County of San Joaquin, State of California, and is described as follows:

CIP GG 21-13 Fueling Facility Tank Footings

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

CITY OF LATHROP

By:

Stephen J. Salvatore, City Manager

Date

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 **February 12, 2024** by **Sinclair General Engineering Construction, 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 **February 12, 2024**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated _____ By

Stephen J. Salvatore, City Manager

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