

## ITEM 4.16

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

**ITEM:**                               **ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY SINCLAIR GENERAL ENGINEERING CONSTRUCTION, INC. FOR FUELING FACILITY TANK FOOTINGS, CIP GG 21-13**

**RECOMMENDATION:**   **Adopt 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**

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#### **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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**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**

A. Construction Contract	\$81,664
B. Contract Change Orders	\$16,080
	\$97,744
 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 one-year 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.

**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

**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**

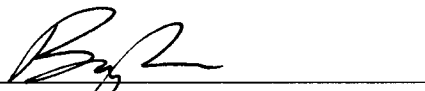
**APPROVALS:**

  
\_\_\_\_\_  
Steven Hollenbeak  
Assistant Engineer


1.16.24  
Date

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

1-16-24  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

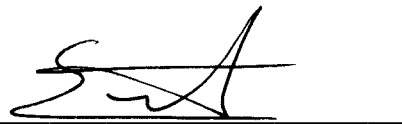
1/17/2024  
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Cari James  
Finance Director

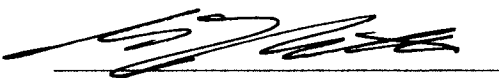
1/18/2024  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

1-17-2024  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

1-18-2024  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2/5/24  
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:

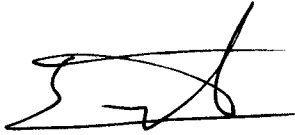
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney





**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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