



## Folsom City Council Staff Report

<b>MEETING DATE:</b>	5/24/2022
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10851 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with B&M Builders, Inc. for the Iron Point Road Median Improvement Project, Project No. PW2102 and Appropriation of Funds
<b>FROM:</b>	Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10851 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with B&M Builders, Inc. for the Iron Point Road Median Improvement Project, Project No. PW2102 and Appropriation of Funds.

### **BACKGROUND / ISSUE**

The Iron Point Road Median Improvement Project was an element of the Folsom Gateway and Median Project. The Folsom Gateway and Median Project design was completed and approved in December 2014. The project was put on hold due to drought conditions and uncertainty of improvements needed for the Folsom Plan Area that might conflict with the Gateway and Median Project improvements. State funding previously awarded by the Sacramento Transportation Authority and California Transportation Commission in the amount of \$123,000 for the East Bidwell Widening Project was reallocated to the Iron Point Road Median Improvement Project by City Council Resolution No. 10629, authorizing an agreement with Caltrans for Project Supplement Agreement No. 0000000X30. The Agreement was fully executed on September 24, 2021 and assigned Caltrans Project No. STPL 5288(048).

The improvements to the Iron Point Median between Willard Drive and the west entrance to Intel include the completion of curbs and landscaping for the two medians. Native oak trees and drought tolerant plants will be used for the landscaping.

**POLICY / RULE**

Section 2.36.080 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$66,141 or greater shall be awarded by the City Council.

**ANALYSIS**

Public Works staff prepared the bid package, and the project was publicly advertised on April 7, 2022. On May 5, 2022, the Public Works Department received the following bids:

1. B&M Builders, Inc.	\$ 576,105.50
2. Dutch Construction, Inc.	\$ 625,439.00
3. Central Valley Engineering & Asphalt, Inc.	\$ 687,496.00

The Engineer’s Estimate for this project was \$370,000. Staff estimated the project utilizing bid prices from similar work that occurred in 2021. The cost of goods and services, particularly oil prices, has dramatically increased since that time, resulting in higher-than-expected bid prices. The Public Works Department has found the bids to be in order and recommends that the contract be awarded to the low bidder; B&M Builders, Inc. Staff will use the City’s standard agreement in a form acceptable to the City Attorney.

**FINANCIAL IMPACT**

The Iron Point Road Median Improvement Project was included in the Fiscal Year 2021-22 budget for \$410,000 utilizing Transportation Improvement Funds (Fund 446). An appropriation for the additional amount needed for the contract is being requested from Measure A Fund (Fund 276), Facilities Augmentation Fund (Fund 537), and SB-1 LPP funds that will replace some of the Transportation Improvement Funds (Fund 446) which requires a 100% match of local funds as follows:

SB-1 LPP	\$123,000
Local Match (Fund 446)	\$123,000
Transportation Improvement Fund (Fund 446)	\$164,000
Measure A (Fund 276)	\$146,000
Facilities Augmentation Fund (Fund 537)	<u>\$ 88,000</u>
Total Project Funding	\$644,000
Transportation Improvement Fund (Fund 446)	\$287,000

The total project budget amount of \$644,000 includes a 10% contingency for this contract as well as construction design support services.

**ENVIRONMENTAL REVIEW**

This project is an improvement of existing infrastructure and has been determined to be Categorical Exempt by California Environmental Quality Act (CEQA) Section 15304 (a) (b) (f).

**ATTACHMENT**

Resolution No. 10851 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with B&M Builders, Inc. for the Iron Point Road Median Improvement Project, Project No. PW2102 and Appropriation of Funds

Submitted,



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Mark Rackovan, PUBLIC WORKS DIRECTOR

**RESOLUTION NO. 10851**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH B&M BUILDERS, INC. FOR THE IRON POINT ROAD MEDIAN IMPROVEMENT PROJECT, PROJECT NO. PW2102 AND APPROPRIATION OF FUNDS**

**WHEREAS**, the City of Folsom desires to make improvements to existing medians on Iron Point Road; and

**WHEREAS**, the Iron Point Road Median Improvement Project is included in the Fiscal Year 2021-22 budget; and

**WHEREAS**, the project was publicly advertised on April 7, 2022 and on May 5, 2022 three bids were received, with B&M Builders, Inc. being the lowest, responsible, responsive bidder; and

**WHEREAS**, the City of Folsom is programmed to receive Senate Bill 1 funding and is eligible for state reimbursement; and

**WHEREAS**, the City of Folsom has previously executed Master Agreement No. 00461S for State-Funded Projects with the State of California Department of Transportation in order to receive the funding; and

**WHEREAS**, the City of Folsom has executed a Program Supplement for State Project No. 5288(048), City Project No. PW2102 upon approval at the June California Transportation Commission Meeting; and

**WHEREAS**, the matching funds for Senate Bill 1 LPP Funding will utilize Transportation Improvement Funds (Fund 446) at a 1 to 1 ratio for the required local match; and

**WHEREAS**, state reimbursements received will be deposited to the Transportation Improvement Fund (Fund 446); and

**WHEREAS**, an additional appropriation will be required for the project in the amount of \$234,000; and

**WHEREAS**, staff is requesting the additional appropriation be added to the Measure A Fund (Fund 276) \$146,000 and the Facilities Augmentation Fund (Fund 537) \$88,000, for a total project budget of \$644,000; and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney:

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to Execute a Construction Agreement with B&M Builders, Inc. for the Iron Point Road Median Improvement Project, Project No. PW2102.

**NOW, THEREFORE BE IT FURTHER RESOLVED** that the Finance Director is authorized to make the following appropriations for the Iron Point Road Median Improvement Project, Project No. PW2102:

1. \$88,000 from Facilities Augmentation Fund (Fund 537)
2. \$164,000 from Measure A Fund (Fund 276)

**PASSED AND ADOPTED** this 24<sup>th</sup> day of May 2022, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

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Kerri M. Howell, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

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