



Folsom City Council Staff Report

MEETING DATE:	5/24/2022
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10853 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with All Phase Construction, Inc. for the Natoma Street Drainage Improvement Project Phase 2, Project No. PW1901, State Project No. 5288(047) and Appropriation of Funds
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10853 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with All Phase Construction, Inc. for the Natoma Street Drainage Improvement Project Phase 2, Project No. PW1901, State Project No. 5288(047) and Appropriation of Funds.

BACKGROUND / ISSUE

In early 2017, the City identified a collapsed segment of the storm drain system that flowed adjacent to Natoma Street between Bridge Street and Scott Street. The alignment of this drainage system weaved in and out of private property with very few access points for maintenance. In September of 2017 City Council authorized construction to realign the storm drain system to keep it within public right of way as much as possible. Construction was completed on that project in April 2018.

During the design phase of the initial project, field investigations identified additional pipe offsets and corrosion issues with downstream segments of the storm drain system between Scott Street and Riley Street. Additional deficiencies include the existing pipe alignment on private property and a lack of access points for necessary inspections and maintenance. The City developed the Natoma Street Drainage Improvement Project Phase 2 to continue making improvements to the storm drain system to ensure it functions as designed. The initial scope of work authorized by City Council in May of 2020 consisted of an alternatives analysis

considering hydraulic capacity, environmental impacts, construction cost, construction duration, and impacts to the public. In January 2021, City Council authorized a contract to complete final design and bid document preparation. The final design was completed in February 2022 and the project was advertised for construction in April 2022 with construction slated to begin in the Summer of 2022.

The project will install approximately 900 linear feet of new storm drain pipe, abandon and remove existing failing storm drain pipe, and add new standard manholes, drain inlets, and an outfall structure.

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 March 29, 2022. On April 26, 2022, the Public Works Department received one bid as follows:

1. All Phase Construction, Inc.	\$ 1,430,914.00
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The Engineer’s Estimate for this project was \$1,150,000. The Public Works Department has reviewed the bid package and found the bid to be in order. Although the bid received exceeds the original engineer’s estimate, that is largely due to the current bidding climate and the increased cost of goods and services resulting in higher-than-expected bid prices. Given the need for the project, the Public Works Department recommends that the contract be awarded to All Phase Construction, Inc.

Staff will use the City’s standard agreement in a form acceptable to the City Attorney.

FINANCIAL IMPACT

The contract with All Phase Construction, Inc. would be authorized for \$1,430,914 with the project budgeted for \$1,574,005, which includes a ten percent contingency amount of \$143,091 for potential change orders.

The Natoma Street Drainage Improvement Project Phase 2 was included in the Fiscal Year 2021-22 Capital Improvement Plan with a project budget of \$1,000,000 utilizing Measure A (Fund 276), SB-1 RMRA (Fund 235) and Gas Tax (Fund 247) funds. There are current expenditures for this project totaling approximately \$240,000, the remaining project budget would be approximately \$760,000. The City also received an SB-1 LPP Grant in the amount of \$380,000 to be utilized for this project. The SB-1 LPP grant has been accepted, but will need to be appropriated to this project. The shortfall between the low bid and the budgeted

amount, staff is requesting to be appropriated utilizing the Drainage Impact Fund (Fund 448) in the amount of \$500,000. This is not an additional appropriation in Fund 448, but staff is requesting to move the appropriation originally programmed for the Willow Creek Estates Storm Drain Lining Project, Project No. PW1906, to the Natoma Street Drainage Project. The requested appropriation of \$500,000 includes \$444,005 for the construction contract and \$55,995 for the design and support services contract. Construction of the next phase of the Willow Creek Estates Storm Drain Lining Project will be deferred to a future year.

The funding summary for construction is as follows:

SB-1 LPP	\$380,000
Local Match, Measure A (Fund 276)	\$500,000
SB-1 RMRA (Fund 235)	\$250,000
Drainage Impact Fund (Fund 448)	\$500,000
Gas Tax (Fund 247)	\$250,000
Total Project Funding	\$1,880,000

This total project funding amount will cover the construction contract, including a 10% contingency, as well as design support during construction from the design engineer. The project budget will increase to \$1,880,000.

ENVIRONMENTAL REVIEW

As part of the design phase, it was determined that construction of this project can be done under a Categorical Exemption classification of the CEQA Guidelines. The CEQA Notice of Exemption was filed with the County in March 2021, and no further environmental analysis is required.

ATTACHMENT

Resolution No. 10853 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with All Phase Construction, Inc. for the Natoma Street Drainage Improvement Project Phase 2, Project No. PW1901, State Project No. 5288(047) and Appropriation of Funds

Submitted,



Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 10853

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH ALL PHASE CONSTRUCTION, INC. FOR THE NATOMA STREET DRAINAGE IMPROVEMENT PROJECT PHASE 2, PROJECT NO. PW1901, STATE PROJECT NO. 5288(047) AND APPROPRIATION OF FUNDS

WHEREAS, the City of Folsom desires to continue rehabilitation of the existing drainage system in the Natoma Street area; and

WHEREAS, the Natoma Street Drainage Improvement Project Phase 2 is included in Fiscal Year 2021-22 Capital Improvement Plan (CIP); and

WHEREAS, the project was publicly advertised on March 29, 2022, and on April 26, 2022, one bid was received from All Phase Construction, Inc. with an amount of \$1,430,914; and

WHEREAS, a contingency in the amount of \$143,091 (10%) will be included in the project budget amount; and

WHEREAS, an appropriation in the amount of \$500,000 is requested and will be moved from the Willow Creek Estate Storm Drain Lining Project, Project No. PW1906; and

WHEREAS, the City of Folsom is programmed to receive Senate Bill-1 LPP Funding, and is eligible for state reimbursement in the amount of \$380,000; and

WHEREAS, the grant amount of \$380,000 will need to be appropriated to the Road Maintenance and Rehabilitation Act Fund (RMRA) (Fund 235), and also to this project; 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(047), City Project No. PW1901 upon approval at the June California Transportation Commission Meeting; and

WHEREAS, the matching funds for SB-1 LPP Funding will utilize Measure A funds (Fund 276) at a 1 to 1 ratio; and

WHEREAS, state reimbursements received will be credited to the Measure A Fund (Fund 276); 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 All Phase Construction, Inc. for the Natoma Street Drainage Improvement Project Phase 2, Project No. PW1901, State Project No. 5288(047), in the amount of \$1,430,914, with a contingency amount of \$143,091.

NOW, THEREFORE BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$500,000 from the Willow Creek Estates Storm Drain Lining Project, Project No. PW1906 from the Drainage Impact Fund (Fund 448) to the Natoma Street Drainage Improvement Project Phase 2, Project No. PW1901, State Project No. 5288(047).

NOW, THEREFORE BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$380,000 to the RMRA Fund (Fund 235) to be utilized for the Natoma Storm Drain Project, for a total project budget of \$1,880,000.

PASSED AND ADOPTED this 24th day of May 2022, by the following roll-call vote:

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

Kerri M. Howell, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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