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City Manager's Report
May 13, 2025 City Council Meeting
Prepared by: A. Cory Schiestel, Senior Civil Engineer
Item #: 12.1

Subject: Consider approving budget appropriations totaling \$700,000 for the Thompson Way Repaving project (CIP #42206) and budget appropriations totaling \$275,000 for the Sherman Street Repaving project (CIP #42208), and approving a Construction Contract with C.E. Cox General Engineering, Inc. in the total combined amount of \$712,990.00, and authorizing the City Manager to execute the same, and authorizing the City Manager contract change order authority in a total not to exceed amount of \$146,000 for the said projects.

Recommendation: Adopt a Resolution:

1. Approving a \$225,000 budget appropriation from the Measure L Fund for the Thompson Way Repaving project (CIP #42206); and
2. Approving a \$400,000 budget appropriation from the Measure H Fund Construction Reserve for the Thompson Way Repaving project (CIP #42206); and
3. Approving a \$75,000 budget appropriation from the Measure L Fund Construction Reserve for the Thompson Way Repaving project (CIP #42206); and
4. Approving a \$25,000 budget appropriation from the Measure L Fund for the Sherman Street Repaving project (CIP #42208); and
5. Approving a \$150,000 budget appropriation from the Measure H Fund Construction Reserve for the Sherman Street Repaving project (CIP #42208); and
6. Approving a \$100,000 budget appropriation from the Measure L Fund Construction Reserve for the Sherman Street Repaving project (CIP #42208); and
7. Approving a construction contract with C.E. Cox General Engineering, Inc. for the Thompson Way Repaving project (CIP #42206) in an amount not to exceed \$528,340.00 and for the Sherman Street Repaving project (CIP #42208) in an amount not to exceed \$184,650.00, and authorizing the City Manager to execute the same; and
8. Authorizing the City Manager contract change order authority up to \$25,000 per change order for a not to exceed aggregate amount of \$106,000 for the Thompson Way Repaving project (CIP #42206) and \$40,000 for the Sherman Street Repaving project (CIP #42208). Said change orders will be brought to the next available City Council meeting for approval or ratification.

Purpose: A public bid opening was held on April 17, 2025 and following review of the bids received, staff is recommending the award of a construction contract to the lowest responsive bidder.

Strategic Plan Strategy: Infrastructure - Update and Maintain City Owned Infrastructure.

Background: Thompson Way, which provides access to Sierra Elementary School, is currently in poor condition. The Public Works Department receives regular complaints about Thompson Way and they spend a significant amount of time cold patching the pavement. The City Council adopted the Fiscal Year 2021/2022 Capital Improvement Program Budget which included the Thompson Way Repaving project (CIP #42206) and the Sherman Street Repaving project (CIP #42208). The City Council adopted the Fiscal Year 2022/2023 Capital Improvement Program budget, which included the Sheridan Street Paving project (CIP #42324). All three of these streets are contiguous from Cedar Ravine Road to Washington Street. The City's 2014 Pavement Management Program Report scored the Pavement Condition Index (PCI) for these roads as follows:

- Thompson Way: 15 (Very Poor/Failed)
- Sheridan Street: 12 (Very Poor/Failed)
- Sherman Street: 46 (Poor)

The projects will rehabilitate the roadway pavement through a variety pavement repairs or replacement. The projects also include the repair and replacement of City sewer mains, water system maintenance/improvements, and storm drain system repair/replacement, all of which have been determined to be in poor condition.

The projects are locally funded with Measures H and L funds.

On May 28, 2024, the City Council approved a Consulting Services Agreement with Rick Engineering for engineering design services for all three projects (for CIP #42206 in an amount not to exceed \$120,500, for CIP #42208 in an amount not to exceed \$38,800, and for CIP #42324 in an amount not to exceed \$68,400).

At its March 25, 2025 meeting, the Council authorized the advertisement of bid documents for Phase 1 of the project, the underground utility work. Phase 1 of the project includes the Thompson Way Repaving project (CIP #42206) and the Sherman Street Repaving project (CIP #42208), but not the Sheridan Street Paving project (CIP #42324), since no utility improvements are needed.

The design of Phase 2, the pavement rehabilitation of all three projects, will continue in preparation for construction in 2026. Staff will return to the Council to request approval of an Amendment to the Consulting Services Agreement with Rick Engineering to prepare public Road and Utility Easement documents associated with Thompson Way through the Sierra Elementary School property, and later request authorization to advertise pavement rehabilitation construction.

Discussion: The Engineering Department began advertising and published the bid package for Phase 1 of the project on March 26, 2025. A public bid opening was held at City Hall on April 17, 2025, and three bids were received as listed below in order of their bid amount. The bids are summarized in the combined total amount for both Thompson Way and Sherman Street:

1. \$712,990.00: C.E. Cox General Engineering, Inc.
2. \$741,143.48: The Design Build, Inc.
3. \$908,615.75: Doug Veerkamp General Engineering, Inc.

The lowest, responsive bid was below the combined engineer's estimate of \$840,000. Staff performed an analysis of the apparent low bidder's proposal and found it to be in conformance with the

requirements of the contract proposal terms and C.E. Cox General Engineering, Inc. to be in good standing. As such, staff has concluded that C.E. Cox General Engineering, Inc. is the lowest responsive and responsible bidder and recommends award of the construction contract.

During the design phase, Rick Engineering completed a comprehensive evaluation of the existing underground utilities (water, sewer and storm drain) within all three projects limits and has provided recommendations for repair, replacement, and maintenance of these City owned utilities prior to paving. The table below shows the cost breakdown associated with each City asset category to be improved or replaced as a part of the project.

The \$712,990 combined bid proposal from C.E. Cox Engineering, Inc. includes the following:

Thompson Way Repaving (CIP #42206)

Asset	Cost	Percentage of Contract
Sewer System Improvements	\$ 299,095	56.61%
Water System Improvements	45,448	8.60%
Roadway	69,198	13.10%
Storm Drain Improvements	114,599	21.69%
Total	\$ 528,340.00	100.00%

Sherman Street Paving (CIP #42208)

Asset	Cost	Percentage of Contract
Sewer System Improvements	\$ 108,404	58.71%
Water System Improvements	-	0.00%
Roadway	-	0.00%
Storm Drain Improvement	76,246	41.29%
Total	\$ 184,650.00	100.00%

Given the age, limited available records, anticipated condition of the existing utilities within the project area, and understanding that unforeseen items can arise in the field, a request is included to grant the City Manager authority and ability to implement expedient solutions during construction for efficient use of the public funds to address any additional unforeseen items beyond the awarded contract scope of work and prevent a costly construction delay. Staff is recommending approximately 20% contingency to be held for any unforeseen items that arise during construction of the utility project.

If approved, the City Manager will be able to negotiate and execute any necessary contract change orders (CCOs) with C.E. Cox General Engineering, Inc. up to \$25,000 per change order requested for a not to exceed aggregate amount of \$106,000 for Thompson Way Repaving project (CIP #42206) and \$40,000 for the Sherman Street Repaving project (CIP #42208). The \$25,000 single approval amount is consistent with the City Manager's current purchasing authority approved at the regularly scheduled Council Meeting on October 24, 2017. The process of using this proposed authority will be upon evaluation in the field during construction, the City Engineer will review time and material

tracked options and make a recommendation to the City Manager to address any out of scope work that will deliver a more complete and maintainable project within budget. All approved CCOs will be brought back to the Council for approval or ratification at the next available meeting. To further avoid potential delay in construction and potential public inconvenience, the City Manager may request a special Council meeting to approve any CCOs above the purchasing limit.

Because this is a smaller, locally funded project, Engineering Department staff plans to perform construction management and inspection services in-house. The proposed budget appropriations described below account for the anticipated staff costs for these services.

Options:

1. Approve the award of the construction contact to C.E. Cox General Engineering, Inc. for the Thompson Way Repaving project (CIP #42206) and Sherman Street Repaving project (CIP #42208) and related budget appropriations as recommended by staff.
2. Direct Staff to negotiate different terms for the construction contract.
3. Direct Staff to reject all bids and re-issue the project for public bidding.

Environmental: Both projects were determined to be Categorically Exempt according to CEQA Guidelines Section 15301 because the project involves the rehabilitation and replacement of existing facilities and negligible expansion of use of the public roadway. The Notices of Exemption were filed separately on the same day with the El Dorado County Recorder's Office on November 3, 2021.

Cost: The cost of the proposed construction contract with C.E. Cox General Engineering, Inc. is in the combined amount of \$712,990 for both projects.

Budget Impact:

Thompson Way Repaving (CIP #42206)

The City Council adopted the Fiscal Year 2021/2022 Capital Improvement Program Budget which appropriated \$150,000 for the Thompson Way Repaving project (CIP #42206). At its meeting held on June 3, 2024, the Measures H/L Sales Tax Committee recommended a \$225,000 budget appropriation from the Measure L fund for the Thompson Way Repaving project (CIP #42206), and staff requests that the City Council approve the Committee's recommendation. Tonight, staff is respectfully requesting additional budget appropriations in the amounts of \$400,000 from the Measure H Fund Construction Reserve and \$75,000 from the Measure L Fund Construction Reserve, for a total project budget of \$850,000, as shown in the table below:

Funding Source	Original Project Budget	Proposed Project Budget	Increase/ (Decrease)
Measure L Fund	\$ 150,000	\$ 450,000	\$ 300,000
Measure H Fund	-	400,000	400,000
Total	\$ 150,000	\$ 850,000	\$ 700,000

To date, the project has encumbered the following costs:

C.E. Cox Engineering (Proposed Contract)	\$ 528,340
Rick Engineering	120,500
El Dorado Counter Recorder-Clerk	50
360 Pipeline Inspection	2,568
City Staff Time	25,226
Total	<u><u>\$676,684</u></u>

As you can see, the \$676,684 in total project encumbrances, including the proposed \$528,340 Construction Contract with C.E. Cox General Engineering, Inc., is within the proposed \$850,000 project budget.

Sherman Street Paving (CIP #42208)

The City Council adopted the Fiscal Year 2021/2022 Capital Improvement Program Budget, which appropriated \$50,000 in Measure L funds for the Sherman Street Repaving project (CIP #42208). At its meeting held on June 3, 2024, the Measures H/L Sales Tax Committee recommended a \$25,000 budget appropriation from the Measure L Fund for the Sherman Street Repaving project (CIP #42208), and staff requests that the City Council approve the Committee's recommendation. Tonight, staff is also respectfully requesting additional budget appropriations in the amount of \$150,000 from the Measure H Fund Construction Reserve and \$100,000 from the Measure L Fund Construction Reserve, for a total project budget of \$325,000, as shown in the table below:

Funding Source	Original Project Budget	Proposed Project Budget	Increase/ (Decrease)
Measure L Fund	\$ 50,000	\$ 175,000	\$ 125,000
Measure H Fund	-	150,000	150,000
Total	\$ 50,000	\$ 325,000	\$ 275,000

To date, the project has encumbered the following costs:

C.E. Cox Engineering (Proposed Contract)	\$ 184,650
Rick Engineering	38,800
El Dorado County Recorder-Clerk	50
360 Pipeline Inspection	2,568
Staff Time	19,474
Total	<u><u>\$245,542</u></u>

As you can see, the \$245,542 in total project encumbrances, including the proposed \$184,650 Construction Contract with C.E. Cox General Engineering, Inc., is within the proposed \$325,000 project budget.



M. Cleve Morris, City Manager



Melissa Savage, City Engineer

Attachments:

- A. Resolution
- B. Project Limits Exhibit
- C. Bid Tabulation