



AGENDA REPORT

Department

DATE:	October 24, 2023
TO:	Mayor Martinez and Members of the City Council
FROM:	Daniel Chavarria, PE, Director of Public Works Robert Armijo PE, Deputy Director of Public Works/City Engineer Ken Cheng PE, Senior Civil Engineer
Subject:	Contract with Northwest Demolition, Inc. for the Construction of the Santa Rita Road Stabilization Project
FINANCIAL IMPACT:	The City Council authorized the transfer and appropriation of funds in the amount of \$1,040,000 from the Insurance Reserve Fund to the General Capital Fund for the Santa Rita Road Stabilization Project. Account String: 20136031-400642-23037 (General Capital Fund)
PREVIOUS COUNCIL ACTION:	On September 26, 2023, City Council authorized the transfer and appropriation of funds from the Insurance Reserve Fund to the General Capital Fund for the Santa Rita Road Stabilization Project.
STATEMENT OF THE ISSUE:	City staff is requesting approval to award a construction contract for the Santa Rita Road Stabilization Project to Northwest Demolition, Inc. in an amount not to exceed \$715,500 plus up to a twenty percent contingency amount of \$143,100.
RECOMMENDED ACTION:	ADOPT a resolution authorizing the execution of a construction contract in accordance with the approved plans and specifications with Northwest Demolition, Inc. for the Santa Rita Road Stabilization Project in an amount not to exceed \$715,500; and AUTHORIZE the Director of Public Works to approve change orders, if necessary, for a total twenty percent (20%) contingency amount up to \$143,100 – Public Works Department (Daniel Chavarria 510-620-5478/ Ken Cheng 510-621-1612).

DISCUSSION:

The June 20, 2023 agenda report summarized the mudslide events that occurred at the northeast corner of the resident's home located at 2929 Salvino Court. (Attachment 1) With the recommendation of the City's Consultant (Questa Engineering), City staff were able to take immediate action to temporarily implement remediation measures to mitigate further erosion of the slope.

In April 2023, Questa Engineering (one of the City's pre-approved contractors) provided an approximate preliminary construction cost estimate of \$650,000 for the retaining wall to protect and support the existing Santa Rita Road from failing and collapsing into the creek.

The City advertised the project through BidsOnline on September 27, 2023, and bids were opened on October 18, 2023. The City received seven (7) bids and City staff selected the lowest bidder, Northwest Demolition, Inc. for a base bid amount of \$667,300. The low bid was responsive, and the bidder is responsible and has performed similar projects in the past. City staff recommends that items in addition to the base bid items be added to this contract for an additional cost of \$48,200. This brings the total recommended contract amount to \$715,500.

Given the challenging construction circumstances presented by the mudslide-prone area, City staff recommends that City Council authorize the Director of Public Works to approve a contingency of up to twenty percent (totaling \$143,000) of the project's cost of \$715,500. This will ensure that work progresses uninterrupted, especially as we approach the rainy season, which could exacerbate the situation. It is important to note that any unused contingency funds will be returned to their original source. Additionally, even when factoring in this enhanced contingency amount, the total project costs remain below the allocated budget.

City staff will apply for the CEQA Notice to Exemption Section 15301.

Public Works staff is recommending that the City Council award the construction contract to Northwest Demolition, Inc. for the Santa Rita Road Stabilization Project in an amount not to exceed \$715,500, and authorize the Public Works Director to approve change orders, if necessary, for up to twenty percent contingency of the overall cost of the contract amount.

DOCUMENTS ATTACHED:

Attachment 1 – June 20, 2023 Agenda Report
Attachment 2 – Resolution
Attachment 3 – Bid Results
Attachment 4 – Bid Documents