SUBJECT: AWARD OF CONTRACT - HENDERSON AVENUE RECONSTRUCTION PROJECT

SOURCE: Public Works Department - Engineering Division

COMMENT: On June 9, 2005, staff received one (1) bid for the Henderson Avenue Reconstruction Project. The project calls for the reconstruction of Henderson Avenue between Newcomb Street and Westwood Street. The project consists of the construction of two lanes of traffic in each direction, the installation of curbs, gutters, sidewalks, curb returns, street lighting, sewer, water and storm drain. It also includes the demolition of the existing bridge crossing at the Porter Slough channel and construction of a new box culvert bridge crossing. The Engineer’s Estimate of Probable Cost is $2,110,637 which is within 7.98% of the sole bid. The sole bid is as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1. Halopoff &amp; Sons, Inc.</td>
<td>$2,279,015.70</td>
</tr>
<tr>
<td>Porterville, CA</td>
<td></td>
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</tbody>
</table>

Staff has found the low bid acceptable.

On May 3, 2005 City Council authorized $2,447,202.73 of available funds for the Henderson Avenue Reconstruction Project after appropriations from various funding sources. Those appropriations were as follows:

- From Certificate of Participation: $1,400,000.00
- From Sewer Revolving Fund: $133,544.90
- From Storm Drain Development Fund: $276,478.96
- From Water Replacement Fund: $395,053.87
- From Transportation Development Fund: $115,000.00
- From Local Transportation Fund: $127,125.00

Total Appropriated/Funded: $2,447,202.73

The March 30th, 2005 Revenue and Expenditure Report was the basis for the COP allocation. Since the March 2005 report, the City has purchased additional properties for the street widening and has incurred relocation costs associated with the parcel needed for a Municipal Water Well Site.
An appropriation in the amount of $400,000 was approved in the 04/05 budget for Water Master Plan Payback and could be utilized for the purchase of the Municipal Water Well Lot. As previously stated, COP funding was utilized for purchasing said lot. Actual acquisition and relocation costs equate to $124,900. This amount could be transferred from the Water Developer Fees to COPs to assist in financing the deficit.

Now that the City has an actual bid and costs associated with the Municipal Water Well Lot, the available funding should be modified as follows:

From Certificate of Participation $1,345,670.00 **
From Sewer Revolving Fund $ 296,751.87 •
From Storm Drain Development Fund $ 201,198.12 •
From Water Replacement Fund $ 382,567.98 •
From Transportation Development Fund $ 115,000.00
From Local Transportation Fund $ 127,125.00
$2,468,342.97

** COP balance with May 2005 expenditures and transfer of $124,900 from Water Developer Fees to COPs.
• The Sewer, Storm Drain and Water Fund appropriations should be modified to reflect the actual Henderson Avenue Reconstruction bid.

In summary, $2,632,355 is required to fully fund the project, leaving the project $164,012.03 shy of full funding. The amount includes a ten (10) percent contingency, expenditures for street lights, staff time and quality control testing.

Council may wish to consider removing the following items from the project:

- SCE street lights $ 50,000
- Staff time $ 40,436
- Quality Control Testing $ 35,000
Total $125,436

Street light conduits are part of the reconstruction project. Therefore, budgeting for street lights could be postponed to a later fiscal year, if funding is available. The General Engineering Budget can fund our staff time and quality control testing, due to staff shortages.

Under this scenario, $2,506,919 is necessary to finance the project, again shy by $38,576.03. Should Council consider awarding the project with the available funds ($2,468,342.97), staff feels comfortable managing the project with an 8.31% contingency.
RECOMMENDATION: That City Council:

1. Approve the herein described financing scenario;

2. Award the Henderson Avenue Reconstruction Project to Halopoff & Sons, Inc. in the amount of $2,279,015.70;

3. Authorize progress payments up to 90% of the contract amount; and

4. Authorize a 8.31% contingency to cover unforeseen construction costs.

ATTACHMENT: Locator Map

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