



## **CITY OF MENIFEE**

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SUBJECT: Agreement with All American Asphalt, Inc. for Construction Services for the Murrieta Road Resurfacing and Improvements Project

MEETING DATE: April 5, 2023

TO: Mayor and City Council

PREPARED BY: Carlos Geronimo, Principal Engineer

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve and authorize the City Manager to execute an Owner-Contractor Agreement with All American Asphalt, Inc. to perform construction services for the Murrieta Road Resurfacing and Improvements Project, Capital Improvement Project No. 23-07, in an amount not-to-exceed \$1,962,222; and
2. Authorize the City Manager to execute a Utility Relocation Agreement between the City of Menifee and Eastern Municipal Water District, and any future amendments thereof, for reimbursement of costs related to the adjustment and relocation of existing water utilities; and
3. Adopt a Budget Amendment Resolution appropriating \$373,000 from Measure A (Fund 220) fund balance into the project fund.

### **DISCUSSION**

The Murrieta Road Resurfacing and Improvements Project, Capital Improvement Project (CIP) No. 23-07, would consist of resurfacing approximately 0.9 miles of Murrieta Road between Camino del Sol Norte and San Quintin Avenue and would install raised medians north and south of Newport Road. The Project would provide reconstruction of noncompliant ADA curb ramps, minor drainage improvements, minor shoulder widening, and reconstruction of cross gutters across Newport Road. Murrieta Road is a major north-south transportation corridor which experiences high traffic volumes, especially surrounding the Newport Road intersection. Resurfacing improvements were previously completed in 2020 on Murrieta Road from Camino Del Sol Norte to McCall Boulevard. The proposed Project would complete the resurfacing improvement efforts along the identified portion of Murrieta Road.

Staff administered a competitive bid process in October 2022 resulting in the receipt of six bids. Because the lowest bid received was approximately 60% higher than the Engineer’s Estimate, staff determined the best course of action would be to reject all bids and re-evaluate the Project documents to identify potential for cost savings. The Project documents have now been revised and the Project area adjusted to address the most critical resurfacing needs along Murrieta Road, which has been identified as the segment between Camino Del Sol Norte and San Quintin Avenue.

Staff administered a second competitive bid process, and the Project was legally advertised in accordance with the California Public Contract Code. An electronic bid opening was held on March 7, 2023, and a total of six bids were received, as summarized in Table 1 below.

**Table 1- Bid Result Summary**

<b>Firm Name</b>	<b>Total Bid Amount</b>	<b>Lowest Responsible Bidder</b>
<b><i>Engineers Estimate</i></b>	<b><i>\$1,980,000.00</i></b>	
<b>All American Asphalt, Inc.</b>	<b>\$1,962,222.00</b>	X
<b>Hillcrest Contracting, Inc.</b>	\$2,062,533.00	
<b>Granite Construction Company</b>	\$2,128,560.00	
<b>Hardy &amp; Harper, Inc.</b>	\$2,145,000.00	
<b>L C Paving &amp; Sealing, Inc.</b>	\$2,256,631.25	
<b>ATP General Engineering Contractors</b>	\$2,599,316.00	

Staff reviewed the apparent lowest bid and determined that All American Asphalt, Inc. met the requirements for recommendation as the lowest responsive and responsible bidder.

At this time, the total anticipated construction cost for the Project is \$2,209,247, which would include materials testing, labor compliance services, and other construction related costs. Construction management and inspection would be provided by City staff. Existing project budgets are available in the amount of \$1,686,247. Based on the lowest bid for construction, and the additional anticipated costs for labor compliance and materials testing, additional funding in the amount of \$523,000 would be required to fully support the Project’s total construction costs.

Staff has identified available funding from other project savings in the amount of \$150,000, as well as identified available Measure A fund balance in the amount of \$373,000. The identified project savings combined with the approval of the proposed budget amendment resolution (BAR) would completely fund the construction contract, labor compliance, and materials testing services needed for the Project.

If approved by the City Council, the tentative project schedule would be as follows:

Construction Start: April 2023  
 Construction End: July 2023  
 City Council Acceptance: August 2023

*The timeline above assumes no delays due to weather or unforeseen conditions.*

The Project also requires adjustment of Eastern Municipal Water District (EMWD) manholes and water valves as part of the scope. EMWD owns and maintains all water and sewer appurtenances in the Project area and is responsible for utility adjustment costs associated with the Project. The estimated cost of the utility adjustments would be \$56,460, which EMWD will reimburse to the City upon Project completion.

**Environmental Impact**

The proposed Project has been determined to be Categorically Exempt (“Existing Facilities”) under the California Environmental Quality Act (CEQA) and CEQA Guidelines, Section 15301. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The Project is for the resurfacing of an existing paved road and all improvements are within existing city right-of-way. The proposed improvements are a negligible expansion of the existing use and are considered minor alterations to existing streets. The Project is also exempt under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. There is no possibility that the activity in question will have a significant effect on the environment because the proposed Project is occurring in an area that is already heavily disturbed and is not environmentally sensitive. The Notice of Exemption for the Project was recorded with the County of Riverside on September 22, 2022.

**STRATEGIC PLAN OBJECTIVE**

Safe and Attractive Community

**FISCAL IMPACT**

The funding required to support award of the proposed construction contract for the Project is \$1,962,222. Currently, there is existing funding remaining for this Project in the amount of \$1,686,247, as summarized in Table 2 below. The additional amount of \$523,000 needed to fully support the total anticipated construction costs of \$2,209,247 has been identified and is available through project savings and Measure A fund balance, as summarized in Table 3 on the following page.

There is no additional fiscal impact associated with approval of the Utility Relocation Agreement with EMWD. Funding is available in current Project budget to cover the reimbursement costs initially, and the City would be reimbursed for all costs associated with the utility adjustments upon Project completion.

**Table 2- Current Project Funding**

Fund	Project	Account Number	Available Budget	Anticipated Cost
<b>RMRA (SB1)</b>	Murrieta Road	201-4555-58154	\$1,686,247	\$1,686,247
<b>Unfunded</b>	Murrieta Road			\$523,000
<b>Total</b>			<b>\$1,686,247</b>	<b>\$2,209,247</b>

**Table 3- Identified Project Funding**

Fund	Project	Account Number		Available Budget	Amount Requested
		From	To		
<b>General</b>	Murrieta Rd/Sun City Traffic Signal	100-4555-58107	100-4555-58154	\$27,774	\$10,000
<b>General</b>	Sun City Pedestrian Improvement	100-4555-58137	100-4555-58154	\$32,757	\$30,000
<b>General</b>	Lazy Creek Pedestrian Improvement	100-4555-58138	100-4555-58154	\$32,757	\$30,000
<b>Measure A</b>	Newport Road Raised Medians	220-4555-58131	220-4555-58154	\$106,452	\$80,000
<b>Measure A</b>		Fund Balance	220-4555-58154	\$900,000	\$373,000
<b>Total</b>				<b>\$1,101,073</b>	<b>\$523,000</b>

A corresponding BAR is included as part of the recommended actions of this Staff Report, appropriation \$373,000 from fund balance with the Measure A (Fund 220) fund to cover associated expenses with this Project.

**ATTACHMENTS**

1. Owner-Contractor Agreement
2. EMWD Utility Relocation Agreement
3. Project Location Map
4. BAR – Fund 220
5. Median Exhibit-Layout