



## Legislation Text

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Report regarding a resolution approving a reimbursement agreement with the Town of Colma for the construction of street improvements along Hillside Boulevard street improvement project and increasing project contingency budget. (*Jeffrey Chou, Senior Civil Engineer*)

### **RECOMMENDATION**

**Staff recommends that the City Council adopt a resolution approving a reimbursement agreement with the Town of Colma for the construction of street improvements along Hillside Boulevard between Lawndale Drive and Serramonte Boulevard for an amount of \$322,966 and to increase the Hillside Boulevard Road Diet Improvements Project's (No. tr1906) Construction Contract's contingency by the Reimbursement Agreement amount.**

### **BACKGROUND/DISCUSSION**

The City is currently undertaking the Hillside Boulevard Road Diet Improvements Project ("Project") to construct pedestrian and bicyclist improvements along Hillside Boulevard as well as road maintenance surface treatment consisting of slurry seal and restriping work. The construction contract for the Project was awarded to Ray's Electric of Oakland, California ("City Contractor").

The Project is located along Hillside Boulevard between Lawndale Drive and Lincoln Street, which is adjacent to the Town of Colma's ("Colma") jurisdictional boundaries. Colma has requested the City to extend the Project's slurry seal and restriping work under the Project to the roadway within Colma's boundaries along Hillside Boulevard between Serramonte Boulevard and Lawndale Drive ("Additional Scope of Work"), subject to reimbursement by Colma to the City for all cost of said work. See attached map for limits.

There are certain public benefits for the City to undertake the Additional Scope of Work directly. For instance, given that the City's contractor is already mobilized to perform the exact work on the Project contemplated by the Additional Scope of Work, there will be significant cost savings arising from the City contractor performing the Additional Scope of Work. Competitively bidding the Additional Scope of Work is not required given the substantial similarity between the Project work and the Additional Scope of Work, and the purposes of competitive bidding would not be served given the advantage to the public arising from the cost efficiencies generated by having the City contractor perform the Additional Scope of Work. Competitive bidding would not produce an advantage and competitively bidding the Additional Scope of Work would be undesirable under the circumstances.

The City is agreeable to Colma's proposal and requested a cost proposal from the City Contractor for the Additional Scope of Work. The City Contractor provided a potential change order describing the scope and setting forth a cost of \$293,605.46 for the Additional Scope of Work.

The City and Colma have determined that this cost proposal constitutes a reasonable cost estimate for the Additional Scope of Work, and Colma agrees to reimburse the City for this amount including a ten percent (10%) contingency as necessary.

The proposed total cost for the Reimbursement Agreement with Coma is shown below:

|                                |                      |
|--------------------------------|----------------------|
| Proposed Construction Cost     | \$ 293,605.46        |
| Construction Contingency (10%) | \$ 29,360.54         |
| <b>Reimbursement Amount</b>    | <b>\$ 322,966.00</b> |

The City is agreeable to perform the work through execution of a change order with the City Contractor, subject to Colma's reimbursement as described pursuant to the Reimbursement Agreement. The Agreement also contemplates Colma reimbursing the City for additional actual costs incurred beyond the estimated reimbursement amount, should those costs be incurred, pursuant to certain confirmation steps outlined in the agreement.

The Construction Contract's budget and contingency will also need to be increased to incorporate the reimbursement amount as shown below:

|   |                        |
|---|------------------------|
| Ray's Electric Construction Contract      | \$ 897,985.90          |
| Original Construction Contingency (20%)   | \$ 179,597.10          |
| Colma's Reimbursement Amount              | \$ 322,966.00          |
| <b>Total Construction Contract Budget</b> | <b>\$ 1,400,549.00</b> |

#### FISCAL IMPACT

This project (CIP No. tr1906) is included in the City of South San Francisco's fiscal year 2022-2023 Capital Improvements Program. There are sufficient funds in FY 2022-2023 to cover the reimbursement amount and the total construction contract costs.

#### RELATIONSHIP TO STRATEGIC PLAN

Approval of this action will contribute to the City's Strategic Plan outcome of improved Quality of Life by maintaining and improving infrastructure to serve the greater public.

#### CONCLUSION

It is recommended that the City Council adopt a resolution approving a Reimbursement Agreement between the City of South San Francisco and Town of Colma in the amount of \$322,966 and to increase the Project's Construction Contract's contingency by the Reimbursement Agreement amount.

Attachments:

1. Vicinity Map