



# CITY OF ATASCADERO

## CITY COUNCIL STAFF REPORT

Item D3

Department: Public Works

Date: 5/27/25

Placement: Consent

**TO:** JAMES R. LEWIS, CITY MANAGER

**FROM:** NICK DE BAR, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

**PREPARED BY:** JOE MURPHY, ASSOCIATE CIVIL ENGINEER – CAPITAL PROJECTS

**SUBJECT:** 2025 F-14 Pavement Rehabilitation Project Construction Award

### RECOMMENDATIONS:

1. Council award a construction contract for \$1,843,967 to Souza Construction for the 2025 F-14 Rehabilitation Project (Project No. C2024R01).
2. Council authorize the Director of Administrative Services to allocate \$2,550,000 of Sales Tax Measure F-14 funds for the 2025 F-14 Pavement Rehabilitation Project.

### DISCUSSION:

#### BACKGROUND

Sales Tax Measure F-14 was approved by voters in November 2014 to fund the repair, maintenance, and rehabilitation of City-maintained local roadways with a one-half cent sales tax over twelve years. A list of projects to be funded with Measure F-14 revenue is developed each budget cycle by employing the Critical Point Management technique with the City's Pavement Management Program. The roadway segments in the chart below are part of the 2025 F-14 Pavement Rehabilitation Project and included in the current Budget and 5-Year Capital Improvement Program (CIP). This project has a total of 1.59 centerline road miles, or 3.18 lane miles. A map showing these segments is also attached for reference (Attachment 1).

#### Road Segments in 2025 F-14 Rehabilitation Project

Road Segment	From	To	Length (ft.)	Area (sq. ft.)	2024 PCI
Los Osos Rd	Old Morro Rd E	San Rafael Rd	6,005	126,015	24
San Andres Ave	Atascadero Ave	Marchant Ave	1,470	35,280	32
San Dimas Rd	Los Osos Rd	Toloso Rd	940	20,680	32

Total: 8,415 182,065

**DESIGN ANALYSIS**

Earth Systems Pacific (ESP) performed pavement testing services and preliminary design recommendations, which were then coordinated with Rick Engineering in final design work and preparing construction plans and specifications for the project. All three streets on the project – Los Osos Road, San Andres Avenue, and San Dimas Avenue, were assessed on the basis of subgrade quality, current roadway conditions, and traffic volumes and are proposed to be reconstructed using a traditional base/asphalt section.

Staff was heavily involved in value engineering during the design process and worked closely with the consultants (RICK Engineering and Earth Systems Pacific) to determine the appropriate level of rehabilitation treatment on each roadway. Each roadway segment was analyzed during design to determine if and where underlying structural issues existed, and where the pavement degradation was confined to the surface courses and could be remedied with a less costly treatment (microsurfacing). The design team worked together to pinpoint the worst areas, determine the causes of failure, (drainage issues, poorly compacted subgrade fill, insufficient structural section, etc.), and focus repair solutions tailored to the expected causes of failures.

**BID ANALYSIS**

The project was publicly bid starting April 16, 2025 for a minimum of 15 days in accordance with State Contracting Laws and Atascadero Purchasing Policies. A public bid opening occurred on May 8, 2025, and five bids were received ranging from \$1,843,967 to \$3,061,890. The bids were reviewed for accuracy and compliance with project bidding requirements, and the City Engineer has determined that Souza Construction of San Luis Obispo is the lowest responsive bidder at \$1,843,967. Bidding was competitive for this project, and Souza's bid is considered a very fair and reasonable price for this project scope.

The current Five Year Capital Improvement Plan in the Fiscal Year 2023-2025 Budget estimates a cost of \$2,800,000 in Measure F-14 monies for project funding. Of that amount, \$250,000 has already been approved by Council for the project. Staff requests Council authorization for the remaining \$2,550,000 needed for the budget, for a total project cost of \$2,800,000.

**CONSTRUCTION ANALYSIS**

Construction is anticipated to begin in early July 2025 after Souza Construction is complete with The Downtown ECR Project currently under construction. Souza will have 50 working days (approximately 2.5 months) to complete the F-14 project work after notice to proceed is issued.

During construction, some inconvenience is expected to vehicular and pedestrian traffic along the roadway segments. The contractor will be required to prepare a traffic control plan, and City staff and inspectors will work with the contractor to minimize travel delays and impediments to driveways on all roadway segments. Since the majority of the pavement rehabilitation will match existing grades, the number of driveways that will need to be removed and replaced is reduced. This will limit impacts to individual property owners. Property owners on each roadway segment will be notified of the construction schedule prior to work beginning and during construction when direct impacts occur to property access.

State Law requires the City to maintain or re-establish existing survey monuments during road construction. The City will contract directly with a licensed land surveyor for survey monument perpetuation/preservation work, which is estimated to be \$50,000. Other costs during construction include construction administration, inspection and material testing estimated to be \$187,300 or about 10% of construction costs.

### **ENVIRONMENTAL REVIEW**

The proposed project is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) pursuant to CEQA Guidelines Section 15301, because it is limited to repair and maintenance of existing facilities. A finding of exemption is on file in the project records.

### **ALTERNATIVES TO THE STAFF RECOMMENDATION:**

Staff does not recommend any alternatives. Council may direct staff to rebid the project, but staff believes bids received were highly competitive and Souza's bid is reasonable and fair. Staff further believes that rebidding the project will very likely result in higher bid amounts.

### **FISCAL IMPACT:**

Approving staff recommendations will result in the estimated expenditures up to \$2,800,000 in Sales Tax Measure F-14 Funds. The following summarizes the estimated expenditures and proposed funding sources for the project:

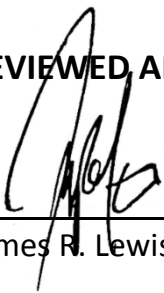
<b>ESTIMATED EXPENDITURES</b>	
Design and Bid Phase	\$250,000
Construction Contract	\$1,843,967
Construction Contingency @20%	\$368,733
Construction Administration/Inspection/Material Testing @ ~15%	\$287,300
Survey Monument Perpetuation	\$50,000
<b>Total:</b>	<b>\$2,800,000</b>

<b>PROPOSED FUNDING SOURCES</b>	
Sales Tax Measure F-14 Fund: 2025 Pavement Rehab. Project: FY23-25	\$ 250,000
Sales Tax Measure F-14 Fund: 2025 Pavement Rehab. Project: FY25/26	\$2,550,000
<b>Total:</b>	<b>\$2,800,000</b>

### **REVIEWED BY OTHERS:**

This item has been reviewed by the Administrative Services Director.

**REVIEWED AND APPROVED FOR COUNCIL AGENDA:**



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James R. Lewis, City Manager

**ATTACHMENTS:**

1. Project Location Map
2. Bid Summary