



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
January 18, 2022

TOPIC: Citywide Sewer Main Improvements Phase II

AGENDA TITLE

Approve an Appropriation Adjustment and Additional Contingency Funds in the Amount of \$368,825 for an Existing Construction Contract with Lucas Builders, Inc. for the Citywide Sewer Main Improvements Phase II Project with an Estimated Project Delivery Cost of \$2,117,835 (Project No. 19-6426) (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment to recognize \$338,825 from prior-year fund balance in the Sanitary Sewer Capital Fund, Prior Year Carryforward revenue account, and appropriate the same amount to the Capital Recovery Charges, Improvements Other Than Buildings expenditure account. *(Requires five affirmative votes)*
2. Authorize the reallocation of \$30,000 in unspent Measure M2 Local Fairshare funds, \$30,000 from Flower Street Safety Enhancements (Project 17-6897) to Citywide Sewer Main Improvements Phase II (Project No. 19-6426) to complete the funding needed for project delivery.
3. Approve an amendment to the Project Cost Analysis in the amount of \$368,825 in additional contingency funds, for a total estimated construction delivery cost of \$2,117,835, which includes \$1,399,208 for the construction contract, \$209,802 for contract administration, inspection and testing, and a \$508,825 project contingency for unanticipated or unforeseen work, subject to non-substantive changes approved by the City Manager and City Attorney.
4. Approve an amendment to the Fiscal Year 2021-22 Capital Improvement Program to include \$368,825 in construction funds for Citywide Sewer Main Improvements Phase II (Project No. 19-6426).

DISCUSSION

On July 7, 2020, the City Council authorized the award of a construction contract to Lucas Builders, Inc. to replace the sewer main on Second Street, Fifth Street, Bush Street, and Townsend Street (Exhibit 1). The project is currently under construction and additional

improvements have been identified that surpass the existing contingency of \$140,000. To capitalize on the favorable pricing of the existing contract with Lucas Builders, Inc., staff recommends increasing the project contingency by \$368,825 to complete the work and deliver the sewer main improvements.

The recommended action will increase the project contingency by an additional \$368,825, for an amended project contingency of \$508,825, thereby increasing the total estimated construction delivery cost to \$2,117,835, as indicated in the Cost Analysis (Exhibit 2) and as summarized in the table below:

Project Item	Current Total	New Total
Construction Contract	\$1,399,208	\$1,399,208
Construction Administration, Inspection, Testing	\$209,802	\$209,802
Contingencies	\$140,000	\$508,825
TOTAL CONSTRUCTION DELIVERY COST	\$1,749,010	\$2,117,835

ENVIRONMENTAL IMPACT

There is no environmental impact associated with the action.

FISCAL IMPACT

Approval of the requested appropriation adjustment will recognize \$338,825 from prior year fund balance in the Sanitary Sewer Capital Fund, Prior-Year Carryforward revenue account (No. 05417002-50001) and appropriate the same amount to the Capital Recovery Charges, Improvements Other Than Building expenditure account (No. 05417647-66220). The reallocation of \$30,000 in unspent Measure M2 Local Fairshare funds will make them available to fully fund the total project delivery cost of \$2,117,835. The following table summarizes the funds budgeted for expenditure to deliver construction of this project. Any remaining balances not expended at the end of FY 2021-22 will be carried forward for expenditure into FY 2022-23, if needed.

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
Prior Authorized Funds				
2020-21	05417647-66220 (19-6426)	Sanitary Sewer Capital	Capital Recovery Charges, Improvements Other Than Building	\$1,749,010
Appropriation Adjustment				
2021-22	05417647-66220 (19-6426)	Sanitary Sewer Capital	Capital Recovery Charges, Improvements	\$338,825

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			Other Than Building	
Reallocation Of Funds				
2021-22	03217662-66220 (From Proj No. 17-6897 To Proj No. 19-6426)	Measure M Street Construction	Measure M2 Local Fairshare, Improvements Other Than Building	\$30,000
Total				\$2,117,835

EXHIBIT(S)

1. Location Map
2. Cost Analysis
3. FY 2021-22 Capital Improvement Program Sheet

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Kristine Ridge, City Manager