



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
July 19, 2022

TOPIC: Construction Funding and Construction Engineering Services

AGENDA TITLE

Approve Appropriation Adjustments and the Second Amendment to the Agreement with Butier Engineering, Inc. to Increase the Agreement Amount by \$376,000, for a Total Amount not to Exceed \$1,612,924, for Construction Engineering and Inspection Services for the South Main Corridor Improvements Project (Project Nos. 17-9001, 20-6958, 21-6461) (General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment to recognize \$291,000 from prior year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carryforward and appropriate the same amount to the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account. (*Requires five affirmative votes*)
2. Approve an appropriation adjustment to re-appropriate FY 2021-22 general fund monies in the amount of \$1,000,000 in the Public Works Revenues, Prior Year Carry Forward revenue account, and appropriate the same amount to the PWA Service Enhancements, Improvements Other Than Building expenditure account for the South Main Corridor Improvements Project (No. 17-9001). (*Requires five affirmative votes*)
3. Authorize budget reallocation of \$130,144.72 in unspent HUTA 2103 Gas Tax funds to the Main Street Rehabilitation from Warner Avenue to Edinger Avenue (Project No. 20-6958) from Gas Tax Local Street Improvements Project (No. 20-6956).
4. Authorize the City Manager to execute the second amendment to the agreement with Butier Engineering, Inc., for construction engineering and inspection services, to increase the agreement amount by \$376,000, subject to non-substantive changes approved by the City Manager and the City Attorney.
5. Approve an amendment to the Project Cost Analysis in the amount of \$ 1,421,144.72 for \$130,144.72 in additional contingency funds, \$291,000 in additional contract administration, inspection and testing, and \$1,000,000 for public art related expenses. The new estimated total construction delivery cost is \$23,005,389.72, subject to non-substantive changes approved by the City Manager and City Attorney.

6. Approve an amendment to the Fiscal Year 2022-23 Capital Improvement Program to include \$291,000 in construction funds for South Main Street Water Improvements Project (Project No. 21-6461).
7. Approve an amendment to the Fiscal Year 2022-23 Capital Improvement Program to include \$130,144.72 in construction funds for Main Street Rehabilitation from Warner Avenue to Edinger Avenue (Project No. 20-6958).
8. Approve an amendment to the Fiscal Year 2022-23 Capital Improvement Program to include \$1,000,000 in construction funds for South Main Street Corridor Improvement (Project No. 17-9001).

DISCUSSION

On January 19, 2021, the City Council awarded a construction contract to C.S. Legacy Construction for the South Main Street Corridor Improvements (Exhibit 1). The project's scope of work includes monument signs, enhanced lighting, hardscaping, landscaping, irrigation, traffic signals, signing, striping, street pavement rehabilitation, sewer main replacement, and water main repair over a 2.5-mile stretch of Main Street from First Street to Dyer Road.

On September 21, 2021, the City Council approved appropriation adjustments and amendments to increase project contingencies and construction funding due to unforeseen utility conflicts. As a result of the increased scope of work associated with the utility issues, the project schedule has been extended by three months, requiring additional construction engineering activity. Staff recommends adding \$291,000 in Water Utility Capital funding to cover increased construction engineering costs (Exhibit 2).

In addition, the construction team was able to take advantage of favorable unit pricing and increase the amount of sidewalk, and curb and gutter replaced by the project. In order to account for the additional improvements, \$130,144.72 in Gas Tax funding will be added to the project contingencies (Exhibit 2) through the reallocation of unspent project funds from the FY 2019-20 Gas Tax Local Street Improvement Project (No. 20-6956).

In recent months, the desire for public art installations to reflect the history of South Main Street has grown within the community. Therefore, the Public Works Agency is partnering with the Community Development Agency and the Arts and Culture Commission to integrate public art along the South Main Street Corridor. Art will range from inspiring poems etched into the sidewalk, to art on cross walks, and artwork to be placed in bus shelters.

The City of Santa Ana's Community Development Agency issued a Call for Public Art Proposals to artists or art teams with connections or ties to Santa Ana for original designs which will be embedded into the project along South Main Street between First Street and Warner Avenue. On December 21, 2021, Council allocated \$1,000,000 in General Fund

monies for PWA Service Enhancement (South Main Corridor Public Art) in the First Quarter Budget Update. Staff recommends adding the \$624,000 from the General Fund allocation to the South Main Corridor Improvements Project (No. 17-9001). The increased funding will allow for the implementation of the art, continued oversight and consistency in delivering the project (Exhibit 2).

On January 19, 2021, the City Council also authorized the City Manager to execute an agreement with Butier Engineering, Inc., to provide construction engineering services for the South Main Corridor Improvement Project. On September 21, 2021, staff returned to City Council to amend the agreement by increasing compensation by \$300,000, due to the increased project scope to address the utilities issues. Now, with the three-month project extension and the added art scope, the funds approved in the first amendment will not be sufficient to complete the project.

Staff requests approval of an amendment to the agreement with Butier Engineering, Inc., to increase the agreement amount by an additional \$376,000, for a total of \$1,612,924 for construction engineering services (Exhibit 3). This funding will come from the remainder of the \$1,000,000 General Fund allocation to the South Main Corridor Improvements Project (No. 17-9001). The increased agreement capacity will allow for continued oversight and consistency in delivering the project, including managing the art initiative (Exhibit 4).

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act, the recommended actions are exempt from further review. Categorical Exemption Environmental Review Nos. ER-2020-103, ER-2020-105, ER-2020-109, and ER-2020-110 were filed for the project.

FISCAL IMPACT

Approval of the requested Appropriation Adjustments will provide the following funding:

1. Recognize \$291,000 from prior year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carryforward revenue account (No. 06017002-50001) and appropriate the same amount to the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account (No. 06617647-66301).
2. Re-appropriate FY 2021-22 general fund monies in the amount of \$1,000,000 in the Public Works Revenues, Prior Year Carry Forward revenue account (No. 01117002-50001) and appropriate the same amount to the PWA Service Enhancements, Improvements Other Than Building expenditure account (No. 01117017-66220), for the South Main Corridor Improvements Project (No. 17-9001).

Approval of the request to reallocate funds will provide funding in the amount of \$130,144.72 in unspent HUTA 2103 Gas Tax.

South Main Corridor Appropriation Adjustments and Agreement Amendment
July 19, 2022
Page 4

All funds are available for expenditure in Fiscal Year 2022-23; however, any remaining balances not expended at the end of the fiscal year will be carried forward into FY 2023-24 for expenditure.

The following table summarizes the \$1,421,144.72 that will be made available by this Council action to fund the additional construction costs:

Fiscal Year	Accounting Unit – Account No. (Project No.)	Fund Description	Accounting Unit – Account No. Description	Amount
APPROPRIATION ADJUSTMENTS				
2022-23	06617647-66301 (Proj. 21-6461)	Water	Water Utility Capital Projects, Water Capital Project	\$291,000
2022-23	01117017-66220 (Proj. 17-9001)	General Fund	PWA Service Enhancement, Improvements Other Than Building	\$1,000,000
REALLOCATION OF FUNDS				
2022-23	05917663-66220 (From Proj. 20-6956 To Proj. 20-6958)	Select Street Construction	Gas Tax HUTA 2103, Improvements Other Than Building	\$130,144.72
Total:				\$1,421,144.72

EXHIBIT(S)

1. Location Map
2. Amendments to Fiscal Year 2022-23 CIP
3. Amendment to Agreement with Butier Engineering
4. Revised Cost Analysis

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

Approved By: Kristine Ridge, City Manager