



City of Del Mar Staff Report



TO: Honorable Mayor and City Council Members

FROM: Mohsen Maali, Deputy Public Works Director
Shaun McMahon, Management Analyst
Via Scott W. Huth, City Manager

DATE: April 15, 2019

SUBJECT: Camino del Mar Streetscape Segment 1 Project Update and Request for Additional Funding

REQUESTED ACTION/RECOMMENDATION:

Staff recommends that the City Council receive the Streetscape project update and:

1. Approve the revised total project budget to \$7,188,980, as described in this report and transfer \$424,980 funds (\$374,980 from the Measure Q fund and \$50,000 from the AB 939 Fund) into the Project.
2. Approve the Third Amendment to the Agreement with Spurlock Landscape Architects (Attachment A) to provide additional necessary design services;
3. Authorize the City Manager to make as-needed line item budget adjustments as long as the total Project budget remains unchanged; and authorize the City Manager to execute the necessary documents.

DISCUSSION/ANALYSIS:

The CDM Streetscape Segment 1 Project (Project) includes improvements to roadway, sidewalks, parking areas, bike lanes, medians, landscape areas, site furnishings, and updated lighting along both sides of Camino del Mar between 9th Street and the Plaza Driveway. The Project's objectives are to improve safety and access, beautify the Camino del Mar corridor in the downtown area to encourage additional revitalization of the downtown, promote sustainability throughout the various components of the streetscape, and implement components of the City's Streetscape Plan. The remainder of this section discusses the state of the Project.

Project Schedule: Following the award of the construction contract, the contractor prepared and submitted the baseline schedule to the City. The construction schedule was reviewed by the project team and staff, and presented to the City Council and business community. The general construction sequence that the contractor proposed was approved as follows: (1) Construction of Improvements on East Side of CDM; (2) Construction of Improvements on West Side of CDM; (3) Construction of Median Improvements; and (4) Grinding and Overlay CDM Roadway.

City Council Action:

Challenges:

- 1) **Rain Delays** - Shortly after the start of construction, the Project encountered an unusual rainy season as demonstrated in the table below:

	January	February	March	April
2019 Rain Days	10	16	13	2
2018 Rain Days	5	4	10	2
2017 Rain Days	0	9	3	0

The contractor is required to anticipate a few rain days, however, the recent winter storms have been overly disruptive to the Project, causing delays in an already aggressive schedule. To mitigate the impact of each storm event, the contractor must prepare in advance and deal with the aftermath in addition to pausing work during the storm.

- 2) **Infrastructure Issues** - The contractor has encountered significant unsuitable materials below the eastern sidewalks, unknown utilities, and design changes, all of which have caused additional delays. Furthermore, the Project has exposed some of the City’s aging infrastructure replacement needs that cannot be deferred. The discovery of two completely corroded 24-inch storm drain metal pipes crossing CDM at 10th and 11th Streets is the most significant example, which was not originally budgeted in the Project scope. The estimated work associated with this urgent repair includes pipeline construction, roadway repair, engineering, and construction management services. This work is a critical part of the completion of the Streetscape Project at these intersections. Other work in this area cannot be started until we resolve these repairs. The cost of the work is estimated to be \$300,000, as shown below:

3)

Project Budget (40-6501-5900)	Cost Item	Current Budget FY18/19	Proposed Budget FY18/19	Change
24-Inch Storm Drain Metal Pipe Failures	Video Inspect Storm Drains @ 10th & 11th St.	\$0	\$5,000	\$5,000
	Pipeline Construction	\$0	\$200,000	\$200,000
	Roadway Repair	\$0	\$50,000	\$50,000
	Design and Construction Management Services @ 20%	\$0	\$45,000	\$45,000
	Storm Drain Extra Work Total	\$0	\$300,000	\$300,000

Impacted Businesses - Since the Project covers six blocks of CDM, the contractor is working in front of several businesses at any given time. Requests from businesses often conflict with approved designs and schedules and require the

contractor to stop and start work and/or move the work away from each business which leads to additional inefficiency and delays. Similar issues are anticipated on the west side of CDM.

4) Easements - Complications with acquiring the required easements and individual requests from businesses directly impacted by construction have also been challenging for the Project. To date, there are a number of pending easements in the 1100 Block (west side). Therefore, if the easements cannot be acquired in a timely manner the City will have the following options:

- A. Cancel the portions or all the proposed work in 1100 Block (west side) in areas where the City does not have easements; or
- B. Re-design the work in this block to build the improvements within the City's Right-of-Way for areas that an easement is not available (this may result in the loss of parking to businesses).

Current Activities: Despite many project difficulties, the project team is expeditiously pursuing the work. The work on the east side of the CDM is substantially complete. The contractor has also started working in the 1200 block on the west side of the CDM and plans to continue working north in response to several requests from businesses in the 1400 block aiming to finish the heavy work near and at 15th Street between Easter and Memorial Days.

Upon completion of the west side of CDM, the work will move to the median areas followed by the roadway resurfacing. It is important to note that the final Project activity of grinding and paving CDM, despite a short duration, will be loud and disruptive to traffic and may have to be performed outside normal business hours or even at night.

Schedule Mitigation: Construction was originally expected to be complete by July 1, 2019. Due to an especially heavy rainy season, changed conditions in the site, design modifications, and accommodations for community related requests, the Project is approximately two months behind schedule. However, in addition to the Contractor working expeditiously to make up for some of the lost time, the following mitigation measures could be pursued:

1. Add additional construction crew to the work on the west side of CDM;
2. Finish working in areas that are the most populated and susceptible to interruptions prior to Memorial Day;
3. Perform light work on Saturdays;
4. Extend working hours to 7:00 PM;
5. Construct in all areas that have approved easements first;
6. Fast track construction survey well ahead of construction to investigate and mitigate any site conflicts;
7. Minimize additional design changes; and
8. Expedite response to Requests for Information.

Funding Analysis: For the aforementioned reasons, additional funds are needed in order to successfully complete the project as designed and cover the additional unanticipated costs. To reduce costs, the City Council could consider reducing the scope of the project and/or pursue grant funds to cover the additional costs associated with the street furnishings.

The project contingency totaling \$776,126 has already been reserved for the following items, which were unknown at the time of the project budget approval in October 2018: four streetlights at Civic Center; revisions to street furnishings; unsuitable materials below sidewalks; roadway grade adjustments/ribbon gutter failures, and additional electrical features and a number of smaller field changes and adjustments.

At this time, staff recommends increasing the total Project budget by \$424,980 to \$7,188,980. A detail of how these additional funds will be used is provided below, which includes \$300,000 for the significant, unanticipated storm drain replacement work. This requested project budget increase is in line with the estimated project cost that was presented to the City Council in September 2018.

Project Budget (40-6501-5900)	Cost Item	Current Budget FY18/19	Proposed Budget FY18/19	Change
Pre-Design Phase	Subtotal for Pre-Design	\$27,959	\$27,959	\$0
Design Phase	Subtotal for Design	\$368,463	\$373,621	\$5,158
Construction Phase	Michael Baker International – As-Needed Engineering/CM Services	\$250,000	\$250,000	\$0
	Spurlock Landscape Architects - Support Services	\$155,578	\$234,400	\$78,822
	As-Needed Survey Services	\$0	\$15,000	\$15,000
	As-Needed Geotechnical/Soil Testing	\$32,000	\$48,000	\$16,000
	Misc. Costs e.g., Construction Signage	\$0	\$10,000	\$10,000
	Tri-Group - Awarded Construction - Base Contract	\$4,853,874	\$4,853,874	\$0
	Tri-Group - Awarded Construction - Additive Alternate A	\$300,000	\$300,000	\$0
	Storm Drain 24" Metal Pipe Replacement	\$0	\$300,000	\$300,000
	Subtotal for Construction	\$5,591,452	\$6,011,274	\$419,822
	All Phases	\$5,987,874	\$6,412,854	\$424,980
	Construction Contingency	\$776,126	\$776,126	\$0
	Project Totals	\$6,764,000	\$7,188,980	\$424,980

Considering the fast pace of the Project, and to maintain continuous progress, staff is also requesting authorization for the City Manager to make necessary line item budget adjustments as long as the total project budget remains unchanged. Any unused portion of the contingency fund will return to the funding source upon Project completion.

Street Furnishing: Street furnishings included in the scope of the Project have been revised by the action of the City Council. The revised design eliminates one bus stop in 1200 block due to uncertainty about the future development plans at that location. Newsstands were also eliminated from the scope. The saving from these changes will be used to offset some of the cost increase from the new design furnishings. At the time of this report it is not known what will be done with the other bus stop in the 900 block. However, approximately \$35,000 will be saved in the Project contingency to address the construction of that item. Staff has used grant money from AB 939 in the past and plans to use a portion of it also to offset the cost of new recycle bins, as well.

Additional Engineering and Design Services: Staff is also recommending an amendment to the agreement with Spurlock Landscape Architects (Attachment A) to provide additional design and engineering services associated with changes during the construction phase of the Project, in an amount not-to-exceed \$78,822. This will bring the total value of their agreement to \$470,000. Considering that the industry standard for engineering and design services is about 10% of the estimated construction costs, the revised design contract amount is still very reasonable and within industry standards for a complex project like the Camino del Mar Streetscape Segment 1 Project.

Communication: The Project Team will continue to communicate with the community and directly affected businesses and property owners, which is integral to the success of the Project. To help facilitate this, staff has been implementing a multifaceted approach to informing the community including a dedicated project webpage, notifications, weekly updates, newsletters, biweekly in person progress reporting to the community, door hangers, one-on-one interactions, project email address, phone hotline, and direct emailing.

FISCAL IMPACT:

This action will amend the Fiscal Year 2018-2019 Operating and Capital Budget as listed in the following table:

DESCRIPTION	FUND	ACCOUNT	AMOUNT
Streetscape Segment #1 Project	Measure Q	40-6501-5900	\$124,980
Transfer from AB 939 Fund to project	AB 939	40-6501-5900	\$50,000
Transfer to Measure Q Fund	AB 939	26-5225-2300	(\$50,000)
Streetscape Segment #1 Project – Storm Drain Urgent Repair	Measure Q	40-6501-5900	\$300,000
Total			\$424,980

ENVIRONMENTAL IMPACT:

The City of Del Mar certified a Mitigated Negative Declaration for the Citywide Sidewalk Improvement Project by Resolution 2015-02 on January 5, 2015.

The amendment to the Agreement with Spurlock Landscape Architects does not constitute a “project” under the California Environmental Quality Act, per the CEQA guideline definition.

PRIOR CITY COUNCIL REVIEW:

The City Council has discussed the Project at several public meetings in recent years; including:

- May 2018 - The City Council rejected bids for Phase 1 of the Project, reaffirmed their support of the Project and directed staff to present options in September for funding and phasing the project, with construction to begin in Winter 2018/2019.
- September 2018 - In September 2018, the City Council authorized staff to proceed with the entire Project and to advertise for construction bids.
- October 2018 – In October the City Council authorized staff to proceed with the award of the construction contract.
- December 2018 – Over two meetings, City Council approved easement related actions, and a request from the Del Mar Village Association (DMVA) and Business Support Advisory Committee (BSAC) to reconsider the design of the Project benches, bus stops, trash/recycling receptacles.
- March 2019 – The City Council approved the street furnishing revisions.

NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:

The Project is a City Council priority project.

ATTACHMENTS:

Attachment A: Third Amendment to Spurlock Landscape Architects Contract