

DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

May 12, 2020

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DIRECTOR

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SUBJECT: Award of Construction Contract for
Sir Francis Drake Boulevard Corridor Project
County Project No. 2018-11, and Related Budget Adjustments

Dear Board Members:

RECOMMENDATION: 1) Award the contract to the lowest responsible bidder, Ghilotti Bros. Inc., for the bid amount of \$18,036,422.90; 2) authorize a 10% contract contingency of \$1,813,577.10 for a total construction cost of \$19,850,000; 3) Authorize the President to execute the Reimbursement Agreement with Marin Municipal Water District; 4) Authorize the President to execute the first addendum to the contract with Coastland Civil Engineering, increasing the contract amount by \$2,400,000 for a total of \$2,600,000 and extending the terms of the agreement to December 31, 2022; and 5) Authorize the Director of Finance to increase appropriations and revenue per the Fiscal Impact section below.

SUMMARY: On February 11, 2020, your Board approved the plans and specifications for the referenced project. The project limits include Sir Francis Drake Boulevard between Highway 101 and the Ross Town Limits, a distance of 2.2 miles within unincorporated area and the City of Larkspur.

In general, the project consists of pavement rehabilitation, pedestrian safety improvements, striping, intersection and signal improvements, traffic operation improvements, utility infrastructure improvements, and new street lighting. The overall project scope (Joint Project) represents a multi-year collaborative effort between Marin County, Marin Municipal Water District (MMWD), and the City of Larkspur and had an engineer's estimate of \$21,300,000.

On April 23, 2020, the following bids were received:

Bidders	Basis of Award Bid Amount
Ghilotti Bros., Inc.	\$18,036,422.90
Desilva Gates Construction	\$19,028,575.00
Ghilotti Construction Co.	\$21,267,149.75

The overall project bid amount of \$18 million was \$3.3 million lower than the Joint Project's engineer's estimate. After analyzing the bid results, staff partially attributes the differences between estimated and actual costs to the unprecedented low price of oil at the time of bid opening and also partially to the COVID-19 pandemic that has impacted both the construction and material industries over the past few months.

- Accounting
- Airport
- Building Maintenance
- Capital Projects
- Certified Unified Program Agency (CUPA)
- Communications Maintenance
- County Garage
- Disability Access
- Engineering & Survey
- Flood Control & Water Resources
- Land Development
- Purchasing
- Real Estate
- Reprographic Services
- Road Maintenance
- Stormwater Program
- Transportation & Traffic Operations
- Waste Management

County staff selected Coastland Civil Engineering to provide construction management for the duration of the Joint Project, as well as extensive public outreach via their subconsultant AIM Consulting (AIM). Based on the anticipated funding shortfall and the uncertainty of project award, staff decided to phase Coastland's contract into pre-construction services and construction services. The first phase of Coastland's contract was executed in November 2019 to provide constructability review and bid support for the Joint Project and for AIM to develop a project website and informational publications.

With construction ready to begin, the first addendum to the agreement with Coastland increases the contract amount by \$2,400,000 and includes scope for full construction management for the duration of the project. Table 1 below summarizes all the Joint Project's construction expenses.

Table 1: Construction Expense Summary

Project Element	Expense Amount
Roadway Project	*\$16,250,000
Pipeline Project	*\$3,600,000
Construction Management	\$2,400,000
Total	\$22,250,000

**includes contingency*

Funding for the project includes revenues from several different sources. The original project sponsor was the Transportation Authority of Marin (TAM), who allocated approximately \$14,460,000 to the Roadway Project under the Measure A - Major Roads and Related Infrastructure portion of the Expenditure Plan (Strategy 3.1). To date, \$2,960,000 of the TAM allocation has been expended for the preliminary engineering, environmental clearance, and final design phases. The remaining \$11,500,000 will contribute to the construction phase of the Roadway Project.

In addition to the project sponsor funds from TAM, County staff has secured additional funding from other stakeholders including, City of Larkspur, County Service Area 17, the Marin County Street Light Fund, and MCI/Verizon. Staff also secured funds from grant sources to fund portions of the project including, Safe Routes to School, Signal Interconnect, and Transportation Development Act. These stakeholder and grant funding sources account for approximately \$3,465,000 in additional construction funds for the Roadway Project.

The agreement with MMWD details their commitment to reimburse the County for all costs associated with the Pipeline Project, including the low bid amount of \$3,300,000 and any associated change orders. The agreement also includes a provision for reimbursement of costs related to construction management in the amount of \$375,000.

After comparing the bid results, construction management costs, and secured project funding to date, the project is left with a funding shortfall of \$3.31 million. This is lower than the \$6.4 million shortfall DPW staff anticipated based on the engineer's estimate at the time the project was advertised. Staff proposes to close the funding gap utilizing the Road & Bridge Fund, which has an average annual budget of \$8 million for road rehabilitation projects. This can be accomplished by modifying our annual paving program for 2020 and 2021. Table 2 below summarizes the Joint Project's construction funding sources.

Table 2: Construction Funding Summary

Funding Source	Funding Amount
Transportation Authority of Marin	\$11,500,000
Marin Municipal Water District	\$3,975,000
Stakeholders/Grant Funds	\$3,465,000
Marin County Road & Bridge Fund	\$3,310,000
Total	\$22,250,000

Staff will continue to work with the project sponsor, TAM, and other stakeholders to identify and seek additional funding to offset the impact to the County's Road & Bridge fund.

FISCAL IMPACT: There is no increase to General Fund Net County costs as a result of this action. All related revenues and expenditures will be accounted for in the Road and Bridge Capital Fund. However, the General Fund is a major funding source for the Road and Bridge fund, along with state gas tax revenues, and the use of fund balance may require modifications to future project planning based future revenues and available fund balance.

Approval will authorize contract expenses for a total of \$22,250,000 and will require the use of \$3,310,000 in prior year fund balance within the Road and Bridge Fund. Approval will increase Department of Public Works Road and Bridge Capital fund (1430) expenditure appropriations in the Sir Francis Drake Boulevard Rehab Project Phase 2 (41SFDCOR2) by a total of \$10,750,000 for construction, management and administrative expenses related to the project, partially offset by revenues from partner agencies as listed in more detail below. On December 10, 2019, your Board approved agreements and budget adjustments which recognized TAM contributions in the amount of \$11,928,213 to the project, of which \$11,500,000 will be used on the current construction phase.

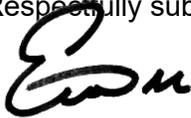
Approval will also increase Marin County Parks CSA 17 fund (3090) expenditure appropriations of \$1,250,000 for funding support, fully offset through use of available fund balance. This fund is responsible for bike paths and landscape median maintenance in Larkspur and Kentfield.

Not counting previously approved grant revenue from the Transportation Authority of Marin, the following agencies have pledged funding for the project:

\$3,975,000	Marin Municipal Water District
\$1,250,000	CSA 17
\$750,000	Marin Street Light Fund
\$400,000	Safe Routes to School Grant
\$375,000	MCI/Verizon
\$340,000	TAM Signal Interconnect Grant
\$250,000	City of Larkspur
\$100,000	Transportation Development Act (TDA) Grant
\$7,440,000	Total New Funding

REVIEWED BY: County Administrator N/A
 Department of Finance N/A
 County Counsel N/A
 Human Resources N/A

Respectfully submitted,



Eric Miller
Principal Civil Engineer

Attachments: Construction Contract with Ghilotti Bros. Inc. (3 copies)
 Reimbursement Agreement with Marin Municipal Water District (2 copies)
 First Contract Addendum with Coastland Civil Engineering (3 copies)

C: Dave Flynn, DPW Traffic & Transportation
 Qiana Davis, DPW Accounting
 Bill Whitney, Transportation Authority of Marin
 Alex Anaya, Marin Municipal Water District
 Julian Skinner, City of Larkspur

Budget Adjustment: 2020/11 115
Munis Contract: 32001512 (Ghilotti Bros)
Munis Contract: 32000799 (Coastland)
Project String: 41SFDCOR2

