



**MEMORANDUM**

**TO: CITY COUNCIL**

**FROM: TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR** *For Tmc*

**BY: MIKE LINN, ASSISTANT CITY ENGINEER** *ML*

**SUBJECT: CONSIDERATION OF FUND TRANSFER FOR THE EAST BRANCH STREETScape PROJECT, PW 2009-01**

**DATE: JULY 13, 2010**

**RECOMMENDATION:**

It is recommended the City Council approve a transfer of \$41,000 from the Pavement Management Program CIP project for the East Branch Streetscape Project to address recently discovered revenue shortfalls.

**FINANCIAL IMPACT:**

Staff has determined that the project requires an additional \$41,000 in revenue to address a reduction of SAFE fund allocations and additional project expenditures that were not known at the time of the Council May 25, 2010 acceptance of the East Branch Streetscape Project. Remaining funds are available in this account following completion of the slurry seal program for 2009/10. Therefore, no other project will be impacted.

**BACKGROUND:**

On January 8, 2009, Council awarded a construction contract for the East Branch Streetscape Project to Brough Construction, Inc. in the amount of \$699,250 and authorized the City Manager to approve change orders in the amount of \$104,888. The project scope of the work involved the installation of decorative concrete bulbouts, crosswalk enhancements, drainage improvements, new street furniture, decorative streetlights, street trees, decorative railings, irrigation and electrical systems.

On May 25, 2010, Council accepted the East Branch Streetscape Project improvements, as constructed by Brough Construction, Inc., and approved a transfer of \$10,402 from the Pavement Management Program CIP.

**ANALYSIS OF ISSUES:**

Staff has learned that the City will not obtain the entire amount of SAFE funds from SLOCOG, primarily to reimburse expenditures relating to the decorative crosswalks that were believed to be available during the preparation of the May 25, 2010 Council staff report for project closeout. The SAFE fund reimbursement has been reduced from

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\$120,000 to \$88,456, a difference of \$31,544. Staff also performed a review of the final project invoicing and determined that an additional \$9,500 is needed to cover outstanding expenditures. Staff requests a fund transfer of \$41,000 accordingly for differences in the projected SAFE fund allocation and the additional project expenditures.

The requisite 35 day waiting period elapsed on June 29, 2010 for release of the contractor's retention (10% of the final contract price), following the May 25, 2010 Council project approval.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendation;
- Do not accept the recommendation; or
- Provide direction to staff.

**ADVANTAGES:**

Approving the fund transfer will enable staff to pay the remaining retention moneys due to the contractor.

**DISADVANTAGES:**

Transferring money from the Pavement Management Fund may reduce the scope of a future pavement maintenance project.

**ENVIRONMENTAL REVIEW:**

The project is categorically exempt from CEQA pursuant to Section 15301(c) and 15302.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted in front of City Hall on Thursday, July 8, 2010. The Agenda and report were posted on the City's website on Friday, July 9, 2010. No public comments were received.