

CITY COUNCIL AGENDA ITEM NO.

Meeting Date: April 26, 2022

Subject/Title: A Resolution approving the contract documents, awarding the bid and authorizing the City Manager or designee to execute a construction contract and necessary documents for the Deer Ridge Frontage Landscaping Improvements Project, CIP No. 352-52440 with Clear Cut Landscaping, Inc. in the amount of \$948,593, plus a 10% contingency of \$94,860, for a total not to exceed amount of \$1,043,453, and amending the FY 2021/22 – 2025/26 Capital Improvement Program (CIP) and the 2021/22 Operating Budget for the associated project funding transfers.

Prepared by: Joe Odrzywolski, Parks Planner

Submitted by: Bruce Mulder, Director of Parks and Recreation

PURPOSE AND RECOMMENDATION

The purpose of this action is to award a construction contract for the Deer Ridge Frontage Landscaping Improvements Project (“Project”). Construction is the next phase towards completing the transition of the fourteen (14) privately maintained parcels to being City maintained parcels. This action will also amend the Capital Improvement Program (“CIP”) and Operating Budget accordingly so that the Project receives the funding necessary to be constructed.

Staff’s recommendation is that the City Council adopt a Resolution approving the contract documents, awarding the bid and authorizing the City Manager or designee to execute a construction contract and necessary documents for the Deer Ridge Frontage Landscaping Improvements Project, CIP No. 352-52440 with Clear Cut Landscaping, Inc. in the amount of \$948,593, plus a 10% contingency of \$94,860, for a total not to exceed amount of \$1,043,453, and amending the FY 2021/22 - 2025/26 Capital Improvement Program (CIP) and the 2021/22 Operating Budget for the associated project funding transfers.

CITY COUNCIL STRATEGIC INITIATIVE

Not applicable.

PREVIOUS ACTION

At the City Council meeting of February 25, 2020, Council Member Rarey requested a future agenda item to consider potential methods that would allow homeowners in the Deer Ridge development to annex into their current Landscape and Lighting Assessment District (“LLAD”) the landscaping entrance and park strips of the development so as to assume the maintenance costs of those areas, and to allow staff to work with the owner of the golf course to have those areas deeded to the City.

On March 10, 2020, an agenda item was presented by Council Member Rarey and there was a consensus of the Council to have staff look into methods to allow homeowners in the Deer Ridge development to annex into their current LLAD certain landscaping features at the entrance of the development and park strips so as to assume the costs of the maintenance of those areas, and to allow staff to work with the owner of the golf course to have those areas deeded to the City.

On June 9, 2020, by Resolution 2020-73, City Council adopted the 2020/21 - 2024/25 Capital Improvement Program.

On July 14, 2020, an agenda item was presented by staff and Council provided staff with direction to return to Council with the following: Resolution(s) approving 1) a new capital improvement project, Deer Ridge Frontage Landscaping Improvements, in the amount of \$508,960, for the construction of landscaping improvements to Deer Ridge frontage areas to conform to City landscape standards; 2) assumption of landscape maintenance responsibilities of fourteen (14) specific golf course frontage areas in the Deer Ridge Development currently the responsibility of SunCoast Properties, Inc., including the dedication of land at the Deer Ridge Entry, currently owned by SunCoast Properties, Inc.; 3) an outline of the process for inclusion of the landscape areas into a Landscape and Lighting Assessment District (LLAD) and obtaining formal property owner approval; 4) amending the 2020/21 - 2024/25 Capital Improvement Program (CIP) to include the new project; and 5) amending the FY 2020/21 Operating Budget for the associated project funding transfers.

On January 12, 2021, by Resolution No. 2021-07, City Council approved a new capital improvement project in the amount of \$102,600 for the design phase of the Project consisting of Deer Ridge Frontage Landscaping Improvements, amending the FY 2020/21 - FY 2024/25 Capital Improvement Program (CIP), and amending the FY 2020-21 Operating Budget.

On February 23, 2021, Council Member Rarey requested a future agenda item to consider partially offsetting a portion of the cost of the Engineer's Report that would be reimbursable through the Deer Ridge LLAD.

On March 23, 2021, by Resolution No. 2021-32, City Council designated Francisco & Associates, Inc. as the Engineer of Work for Fiscal Year 2021-22.

On April 27, 2021, Vice Mayor Rodriguez requested a future agenda item to consider fully offsetting a portion of the cost of the Engineer's Report that would be reimbursable through the Deer Ridge LLAD.

On June 22, 2021, City Council approved paying for the upfront project costs including the initial design of the improvements, development of the cost estimate to construct and maintain the improvements, the legal and assessment engineering costs to form the proposed Deer Ridge LLAD, and the preparation and mailing of the notices and ballots to affected property owners.

On June 22, 2021, by Resolution No. 2021-75, City Council declared its intention to 1) order the formation of, 2) levy and collect assessments for, 3) identify improvements to be maintained by LLAD No. 21-1 (Deer Ridge Landscape Improvements) ("LLAD No. 21-1") for Fiscal Year 2022-23, and 4) set August 24, 2021, as the Public Hearing date pursuant to the Landscaping and Lighting Act of 1972 and Proposition No. 218.

On August 24, 2021, City Council held the public hearing relating to the formation of LLAD No. 21-1 (Deer Ridge Landscape Improvements), accepted ballots from property owners until the conclusion of the public testimony portion of the public hearing, declared the balloting period closed at the conclusion of the public testimony portion of the public hearing, and declared that the ballots were to be tabulated in Council chambers at 11 am on August 25th and the tabulation results would be presented to City Council on September 14, 2021.

On August 25, 2021, the LLAD No. 21-1 (Deer Ridge Landscape Improvements) ballot tabulation was conducted at 11 a.m. in City Council Chambers.

On September 14, 2021, by Resolution 2021-112, City Council declared the Results of the Property Owner Protest Ballot Proceedings Conducted for Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), approving the Final Engineer's Report, Ordering the Formation of Landscape and Lighting Assessment District No. 21-1 (Deer Ridge Landscape Improvements), and Confirming Diagrams and Levy of Assessments for Fiscal Year 2022/23.

On January 25, 2022, by Resolution 2022-10, City Council (1) approved the construction phase of the capital improvement project consisting of the Deer Ridge Frontage Landscaping Improvements, CIP No. 352-52440, per the attached CIP sheet; (2) amended the FY 2021/22 - FY 2025/26 Capital Improvement Program (CIP) to add this new Project; (3) amended the FY 2021/22 Operating Budget to allow for funding transfers; and (4) approved a long-term interfund loan in the amount of \$722,476, per the Council's Budget and Fiscal Policy, to provide capital funding for the portion of this construction cost that is the responsibility of LLAD No. 21-1 (Deer Ridge Landscape Improvements).

BACKGROUND

In January of 2021, the City Council approved the first phase of this Project, which included the initial engineering and landscape design, development of a preliminary construction cost estimate, and formation of a new Landscape and Lighting Assessment District (LLAD), eventually taking the action in June 2021 to pay the \$102,600 initial upfront costs of the Project entirely from the General Fund to provide funding for this phase.

Following the actions in January 2021, staff engaged the City's engineering consultant, BKF Engineers, to finalize the construction plans, refine the construction cost estimate and prepare bid documents, including project specifications, for the Project to formally be put out to bid for the construction work. This Project was value engineered in an effort to keep the Project within a construction budget amount of \$737,220. The Maximum Annual Assessment Rate established for LLAD No. 21-1 were based on this figure.

Following Council action in June 2021 to formally initiate the LLAD formation as prescribed by the Proposition 218 process, a Town Hall meeting was conducted by staff in July to educate the residents of the Deer Ridge neighborhood and answer questions, the Proposition 218 public hearing and balloting process was conducted in August, and in September 2021 the City Council declared the results of the property owner protest ballot proceedings by adopting Resolution No. 21-112 approving the Final Engineer's Report, Ordering the Formation of Landscape and Lighting Assessment District LLAD No. 21-1 (Deer Ridge Landscape Improvements), and Confirming Diagrams and Levy of Assessments for Fiscal Year 2022/23.

At the January 25, 2022 meeting, City Council (1) approved the construction phase of the capital improvement project consisting of the Deer Ridge Frontage Landscaping Improvements, CIP No. 352-52440, per the attached CIP sheet; (2) amended the FY 2021/22 – FY 2025/26 Capital Improvement Program (CIP) to add this new Project; (3) amended the FY 2021/22 Operating Budget to allow for funding transfers; and (4) approved a long-term interfund loan in the amount of \$722,476, per the Council's Budget and Fiscal Policy, to provide capital funding for the portion of this construction cost that is the responsibility of LLAD No. 21-1 (Deer Ridge Landscape Improvements).

It was understood at this time that should the City proceed with the construction of the new

landscape improvements, 98% of the construction costs estimate of \$737,220 would be repaid by the affected property owners over a 10-year period in equal annual installments with no interest. The remaining 2% of the estimated cost for the construction of the new landscape improvements is considered general benefit attributed to benefit conferred to the public at large and therefore will remain City responsibility. Per City Council Budget and Fiscal Policy and with this action, City Council approved a long-term interfund loan in the amount of \$722,476 to provide the capital funding for the portion of the construction costs for which LLAD No. 21-1 is responsible. \$722,476 of the construction cost will be paid by property owners within LLAD No. 21-1 (Deer Ridge Landscape Improvements) over a 10-year period and the remaining \$14,744 will be funded by the General Fund.

Formal bid documents were made available to the public on February 9, 2022 and the bid opening was scheduled for March 10, 2022. A total of five (5) bids were received on the bid date as follows:

Contractor	Total of Bid
Clean Cut Landscape, Inc.	\$ 948,592.50
WABO Landscape & Construction	\$1,001,386.60
Marina Co.	\$1,128,679.96
NBC Construction & Engineering Inc.	\$1,508,403.89
Saboo, Inc.	\$1,544,801.50

In conformance with the Public Contract Code, staff recommends the award of the construction of the Deer Ridge Frontage Landscaping Improvements Project, CIP Project No. 352-52440 to Clean Cut Landscape, Inc. as being a responsible and responsive bidder for a contract amount of \$948,593, plus a 10% contingency of \$94,860, for a total not to exceed amount of \$1,043,453.

Since this contract amount and contingency is \$306,233 above the previously anticipated construction costs on which the Maximum Annual Assessment Rate for LLAD No. 21-1 was based, and the assessment rate for the LLAD cannot be increased, this additional construction cost will be borne by the General Fund should the City Council wish approve the Project and award this contract. In addition, the project engineering consultant incurred additional unexpected costs of \$7,500 in the evaluation and design for the engineering of the fountain feature that is part of this project.

FISCAL IMPACT

The estimated cost originally approved by Council for the initial design of the new Project Deer Ridge landscape improvements and costs associated with the formation of LLAD No. 21-1 (Deer Ridge Landscape Improvements) was \$102,600. This work has been completed and was paid by the City in Fiscal Year 2020/21. There is an outstanding additional cost of \$7,500 for the design of the fountain feature that is addressed in this budget amendment, bringing the City’s contribution to the design costs of this Project to \$110,100.

The cost estimate for construction of the new landscape improvements as provided by BKF Engineers was \$737,220. This is the amount that the Maximum Annual Assessment Rate of the LLAD was based upon in the Engineer’s Report for LLAD No. 21-1 (Deer Ridge Landscape Improvements). As previously approved, the City will provide an interfund loan to LLAD No. 21-1 for its portion of the construction costs of the Project in the amount of \$722,476. The General Fund portion of this cost is \$14,744.

As the lowest bid came in higher than the approved budgeted amount, it will be necessary to

amend the CIP and Operating budgets to move forward with this construction project. The contribution made by LLAD No. 21-1 cannot exceed the \$722,476 amount that was approved based on the Maximum Annual Assessment Rate in the Engineer's Report for LLAD No. 21-1 (Deer Ridge Landscape Improvements). The additional construction amount and contingency, in the amount of \$306,233, will need to be funded by the General Fund.

In summary, the General Fund liabilities not previously approved if this construction project is approved, the contract awarded, and the CIP and Operation Budget is amended, is 1) \$7,500 for cost overrun of the initial design phase of this project, and 2) \$306,233 to cover the remaining construction cost and construction contingency. The total amount being approved with this action for the completion of this project is \$313,733.

Attachments:

Resolution

Contract

Amended CIP Sheet