

Agenda Report

March 25, 2019

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: AMENDMENTS TO FISCAL YEAR 2019 CAPITAL IMPROVEMENT PROGRAM BUDGET, AUTHORIZE AMENDMENTS TO CONTRACTS WITH TORO ENTERPRISES (NO. 31,298) AND CIVILSOURCE, INC. (NO. 30,780), AND ADOPT ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB 1) PROJECT LIST FOR FY 2020

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not "projects" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review;
2. Amend the Fiscal Year (FY) 2019 Capital Improvement Program (CIP) Budget as detailed in Attachment A of this report;
3. Authorize the City Manager to amend Contract No. 31,298 with Toro Enterprises, Inc. to increase the contract amount by \$568,000 for a total not-to-exceed amount of \$950,000;
4. Authorize the City Manager to amend Contract No. 30,780 with CivilSource, Inc. to remove the annual spending cap of \$200,000 per year and to allow the spending not-to-exceed the amount of \$600,000 over the three year contract term; and
5. Adopt by resolution the Road Repair and Accountability Act (SB 1) project list.

BACKGROUND:

Throughout the FY, the Department of Public Works (PW) in conjunction with other impacted departments review active CIP projects to determine if budgetary changes are needed. In addition, staff has worked closely with the Department of Finance to identify

older CIP projects that were completed but need budget adjustments in order to close the projects. Many of the older completed projects remained open due to lack of available funding. The Finance Department has identified available one-time General Fund dollars that can be used to fully fund and close out these projects. These items have been detailed in the *Proposed Budget Amendments* section of this report.

Proposed Budget Amendments

AMENDMENTS TO ACTIVE CIP PROJECTS

- 1. Central Library – Installation and Upgrade of Sprinkler System and Fire Alarm System – Design Phase (71910)** – The Department of Public Works recommends this project be added to the FY 2019 – 2023 CIP budget with a total estimated project cost of \$550,000, and recommends appropriating \$550,000 in Library Services Fund to this project.

DESCRIPTION: This project provides for the replacement and upgrade of the fire alarm system and sprinkler system at Pasadena Central Library.

SCHEDULE: Design and environmental assessment will begin in FY 2019 and be completed in FY 2020.

On February 27, 2019, the Planning Commission found this project consistent with the General Plan.

- 2. In-Fill Street Lighting and Repair and/or Replacement of Existing Street Lighting Systems FY 2016 – 2020 (74413)** – The Department of Public Works recommends appropriating \$74,827 in Private Capital to this project. These funds have been collected from developers as a condition of development. This appropriation will be used to install new LED lights onto existing streetlights at various locations.
- 3. Intelligent Transportation System (ITS) Phase II (75910)** -- The Department of Transportation recommends appropriating \$40,398 in Traffic Reduction Fees to this completed project so it can be closed. This nearly \$3.4 million project was completed under budget for \$3.2 million. However, a small portion of project costs was found not to be reimbursable by the granting agency. This appropriation will cover these ineligible expenditures and allow this project to be closed.
- 4. Alpine Street – Electrical System Undergrounding, Marengo Avenue to El Molino Avenue (74822)** – The Department of Public Works recommends appropriating \$650,000 in Underground Surtax Fund to this project and increasing the budget by a like amount. The total undergrounding project had a total estimated project cost of \$2.9 million with a resurfacing budget of \$575,000. This appropriation will increase the cost of the overall project to \$3.55 million. The scope of work for the resurfacing portion of this project has been expanded to include a full reconstruction of the pavement due to further deterioration of its condition since inception of this project. The pavement condition of the road was re-assessed

subsequent to undergrounding of power lines, and now requires a thicker pavement section to be removed and replaced for optimal rehabilitation. This appropriation will allow this project to be completed in FY 2019.

5. **Building Maintenance FY 2016 – 2020 (71902)** – The Department of Public Works recommends appropriating \$140,000 in General Fund for demolition and abatement of the Fire Station 33 Storage Facility. This facility located at 515 North Lake Avenue, has severe structural damage to the masonry building, including the east wall which was observed to be noticeable out of plumb. As a result, in February 2019, the building was red-tagged by the Building and Safety Division. This appropriation will allow for the structure to be demolished to ensure the safety of the general public. A report will be presented to City Council regarding this situation on April 15, 2019.
6. **One Arroyo Project – Woodlands Loop (77381)** – The City Manager’s Office recommends transferring \$40,000 in General Fund to this project from the Rose Bowl Fund. On February 5, 2018 the City Council authorized the transfer of \$100,000 in General Fund to the RBOC “One Arroyo Project” to support the efforts to enhance and improve the Arroyo Seco. This funding was for Phase III of this project which entailed hiring two consultants: 1) Fundraising Feasibility Consultant, and 2) Public Funding Strategist/Trail Development Expert; as well as additional administrative functions. The efforts were completed for less than originally anticipated, leaving a balance of \$40,000. This action will transfer the remaining dollars back to the City for appropriation into this project for future design work. This project will begin when additional funds are identified by the One Arroyo group.
7. **Rose Bowl Major Improvement Project** – The Rose Bowl Operating Company Board recommends appropriating \$150,000 in RBOC Unrestricted Retained Earnings to this project and increasing the budget by a like amount. This funding will be reimbursed by Legacy funds at a later date. This appropriation will complete the Area H improvement project by installing two donor signs on the Area H Recreational Loop. This project will be completed in FY 2019.

AMENDMENTS TO NON-ACTIVE CIP PROJECTS

As part of the ongoing effort to close old projects, staff recommends transferring \$832,665 in General Fund to fully fund and close out eight older projects that were completed over seven years ago but are still technically open. These General Fund dollars were put aside at the end of FY 2018 in anticipation of closing out these older capital projects. The projects are detailed below:

8. **Bike Facility Enhancement (75640)** – The Department of Transportation recommends appropriating \$35,855 in General Fund to this project so it can be closed. This \$510,000 project was completed under budget for \$365,854 in FY 2000. However, not all the expenses were reimbursable through the granting agency. This appropriation will cover these expenditures and allow this project to be closed.

- 9. Gold Line Pedestrian Enhancements (75059)** – The Department of Public Works recommends appropriating \$149,559 in General Fund to this project so it can be closed. This \$1.6 million project was completed under budget for \$797,157 in FY 2009. However, not all the expenses were reimbursable through the granting agency. This appropriation will cover these expenditures and allow this project to be closed.
- 10. 710 Traffic Improvement ITS – South Fair Oaks (75027)** – The Department of Transportation recommends appropriating \$378,655 in General Fund to this project and increasing the budget by a like amount so it can be closed. This project was funded in FY 2001 for nearly \$2.3 million and construction was completed in FY 2005. This project was one of the 710 mitigation projects set up in the early 2000's and was managed by a 710 Construction team of project managers. Unfortunately, specific explanations for this project's expenditures are unavailable due to the age of this project and staff turnover. A review of the project budget identified that the project had an appropriation of approximately \$2.2 million in Caltrans funds, and yet the City only received \$1.86 million. This appropriation will adjust the project budget and allow this project to be closed.
- 11. Rose Bowl Drive Slope Protection (77466)** - The Department of Public Works recommends appropriating \$9,616 in General Fund to this project so it can be closed. This \$255,143 project was completed under budget for \$251,710 in FY 2010. However, not all the expenses were reimbursable through the granting agency. This appropriation will cover these expenditures and allow this project to be closed.
- 12. Lower Arroyo – Casting Pond (77459)** – The Department of Public Works recommends appropriating \$22,329 in General Fund to this project so it can be closed. This project was completed on budget at \$445,913. However, not all of the expenses were reimbursable through Proposition A grant funds. This appropriation will cover these expenditures and allow this project to be closed.
- 13. Brookside Park – Repair Parking Lot “I” (77465)** – The Department of Public Works recommends appropriating \$48,534 in General Fund to this project so it can be closed. This \$217,000 project was completed under budget for \$169,534. However, not all of the Proposition 40 per capita dollars that were allotted to Pasadena were actually received from the State and the program was discontinued. This appropriation will adjust this project budget and allow this project to be closed.
- 14. Arroyo Seco Environmental Impact Report (77475)** – The Department of Public Works recommends appropriating \$49,377 in General Fund to this project so it can be closed. This project provided for the preparation of the Environmental Impact Report for the Arroyo Seco Master Plans. This project was completed in FY 2002 nine percent over budget. This appropriation will adjust the project budget and allow this project to be closed.
- 15. Hahamongna – Implement Master Plan (77565)** – The Department of Public Works recommends appropriating \$138,740 in General Fund to this project and

unappropriating \$201,600 in Recreational Trail Grant from this project so it can be closed. The same grant was erroneously appropriated to two different CIP projects. The Recreation Trail Grant was for the *Hahamongna – Implement Master Plan – Eastside – JPL Trail project* which has been completed and closed. This appropriation will adjust the project budget and allow this project to be closed.

Moving forward, appropriate procedures are now in place to more closely monitor project expenditures and ensure actions are taken promptly. Quarterly accountability meetings are held with project managers and the City Engineer to review project status and expenditures to date. Actions to correct any potential budget shortfalls are handled within the same fiscal year. In addition, PW is working closely with Finance to monitor project expenditures and ensure grant billing is completed in a timely manner and funds are received. In addition, PW will be hiring a Management Analyst whose duties, among other things, will include grant monitoring to ensure grant billing is completed in a timely manner and in compliance with grant regulations. Public Works is also developing Standard Operating Procedures for project management as well as grant management policies and procedures. Finally, the City has recently hired Moss Adams LLP to conduct a Grants Management Performance Audit on Public Works and will recommend some tools and processes that the department can institute to improve grant management.

Contract Amendments

- A. The Department of Public Works recommends increasing the Toro Enterprises, Inc. Contract No. 31,298 by \$568,000 for a total not-to-exceed amount of \$950,000. Toro Enterprises, Inc. is responsible for the construction of the *Alpine Street – Electrical System Undergrounding, Marengo Avenue to El Molino Avenue (74822)* project. This contract amendment is for the modifications to the project scope of work due to increased asphalt reconstruction. During the time period between the design and contract award, the pavement conditions have greatly deteriorated and now require a thicker pavement section to be removed and replaced.
- B. The Department of Public Works recommends amending the CivilSource, Inc. Contract No. 30,780 to remove the annual spending cap of \$200,000 per year for three years and to allow the spending not-to-exceed \$600,000 over the three-year contract term. The contract expiration date is January 31, 2020. The intent of this contract was to provide PW with the on-call construction management services of CivilSource, Inc. up to \$600,000 throughout the three-year period.

Approval of Road Repair and Accountability Act (SB1) Project List for FY 2020

On April 28, 2017 Governor Jerry Brown signed Senate Bill (SB) 1 – The Road Repair and Accountability Act of 2017 which allocates revenues to cities and counties to fund basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. Prior to receiving an apportionment of Road Maintenance and Rehabilitation Account (RMRA) – SB1 funds each year, cities and counties must submit to the California Transportation Commission (CTC) a list of proposed projects. The FY 2020 list is due to the CTC by May 1, 2019 and all proposed and ongoing projects must be adopted by resolution by the City Council at a regular public meeting. The project list is no longer

required to be adopted as part of cities' or counties' operating or Capital Improvement Program (CIP) budgets. Regardless, the FY 2020 allotment of RMRA funds will be adopted as part of the Adoption of the FY 2020 – 2024 CIP Budget.

The FY 2020 Road Repair and Accountability Act Project List

- 1. Annual Citywide Street Resurfacing and ADA Improvement Program – FY 2020:** This project will resurface 4.3 miles of Orange Grove Boulevard from Lincoln Avenue to Sierra Madre Villa Avenue. The portion of Orange Grove Boulevard between Lincoln Avenue and Lake Avenue will utilize the cold-in-place recycling paving method. This method grinds the top three inches of existing asphalt then remixes the asphalt with a binder and re-covers the road. This sustainable paving practice removes more of the surface damage, and the rehabilitated road lasts longer than roads resurfaced with conventional asphalt. In addition, greenhouse gases are reduced from the paving operation, and less material is trucked off site, reducing truck traffic and damage to adjacent haul routes. The portion of the Orange Grove Boulevard between Lake Avenue and Sierra Madre Villa Avenue will utilize rubberized asphalt. This method is a noise reducing pavement material that consists of regular asphalt concrete mixed with crumb rubber made from recycled tires. This sustainable paving practice diverts tires from the waste stream. The project has the capacity to divert over 12,000 tires from landfills, while also reducing noise, resisting cracking, lasts longer, provides better skid resistance, and retains a dark color longer providing contrast to pavement markings.

Schedule: This project will begin in FY 2020 and be completed in FY 2021.

Total Estimated Project Cost: \$6,160,000

Total RMRA (SB1) Funds to be appropriated in FY 2020: \$2,300,000

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes from environmental analysis those actions that are not "projects" as defined by State CEQA Guidelines Section 15378. That section excludes from the definition of "project" the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project, and also excludes organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein are budgetary and part of the City's normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore they are not yet "projects" as defined by CEQA. As the City becomes more certain it will undertake one of the projects, and before it commits

itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

FISCAL IMPACT:

The cumulative result of these recommendations will increase the FY 2019 CIP budget by \$2,276,290. The specific funding sources for the budget amendments are listed on Attachment A.

The cost of amending Contract No. 31,298 to Toro Enterprises, Inc. is \$568,000. The total cost for this contract will now be \$950,000. Funding for this action will be addressed by the amended budget in the *Alpine Street – Electrical System Undergrounding, Marengo Avenue to El Molino Avenue (74822)* project as described in Item #4 of this report. It is anticipated all of the appropriation will be spent in FY 2019.

There is no fiscal impact to amending Contract No. 30,780 to CivilSource, Inc. The total cost for this contract of \$600,000 will not increase by this action.

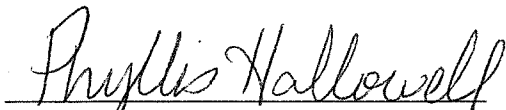
There is no direct fiscal impact as a result of *Adopting by resolution the Road Repair and Accountability Act project list*. However, approval of this project list ensures the City will receive the full allotment of Road Maintenance and Rehabilitation Account funds in FY 2020.

Respectfully submitted,



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