



CITY COUNCIL AGENDA REPORT

MEETING DATE: 11/15/2022

DEPARTMENT: Public Works

SUBJECT:

NOTICE OF COMPLETION FOR SLURRY SEAL PROJECT FOR NON-ARTERIAL STREETS, ZONE F (PW 2021-05A)

RECOMMENDED ACTION(S):

1. Find that American Asphalt South, Inc. has completed construction of Slurry Seal Project for Non-Arterial Streets, Zone F (PW 2021-05A).
 2. Approve the Notice of Completion and authorize the Mayor to execute the document on behalf of the City.
 3. Authorize City Clerk to submit Notice of Completion for recordation to the Office of the County Recorder of Orange County within fifteen days of the City Council approval, as required by Section 9204 of the California Civil Code.
 4. Authorize staff to release any unencumbered retention in accordance with California law.
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EXECUTIVE SUMMARY:

On April 5, 2022, the City Council awarded a contract to American Asphalt South, Inc., ("AAS") in the amount of \$1,306,825.69 to provide pavement repairs in Foothill Ranch (Zone F). This project includes spot repairs and a complete slurry seal of the residential and commercial areas of Foothill Ranch. The project also included the replacement of all the existing traffic striping, markings, and legends. The project advances the City's goal of maintaining a "Good" (75 point or more) rating as determined by the biannual Pavement Condition Index ("PCI") analysis.

The Project began on May 9, 2022. The City Manager authorized Contract Change Order #1 ("CCO #1") and Contract Change Order #2 ("CCO #2"), which together added \$27,311.44 in compensation to the construction contract with AAS. The project was substantially completed on July 19, 2022. The total construction cost, including both contract change orders, is \$1,334,137.13. After

final inspection of the Project, determination of final quantities, and progress payment processing, the Project is now ready for the Notice of Completion.

Staff is requesting the City Council approve the Notice of Completion (Attachment 1) and direct staff to release any unencumbered retention in accordance with California law. Sufficient funding exists in the 2021-2028 Capital Improvement Projects Plan – Street Resurfacing and Slurry Seal Improvement Project to cover the costs of the recommended action.

BACKGROUND:

The City has an established annual street maintenance program to slurry seal and asphalt overlay public streets. As a requirement of OCTA's Measure M funding, the City utilizes a pavement management system to evaluate and score the condition of each street biannually utilizing a pavement condition index ("PCI"). The pavement management system provides recommendations to maintain a street's condition based on the PCI rating. The PCI for the entire City is 75, or "Good" on a scale of 0-100, with 100 being a new street.

Typically, the City performs slurry seal applications in seven-year intervals and resurfaces streets on an as-needed basis with available funding. As part of the slurry seal program, staff also identified locations on the streets within zones that require structural repairs in addition to the slurry seal. The contractor would perform these localized repairs prior to the application of the slurry seal. This cost-saving management practice reduces expensive reconstruction costs by extending the useful life of the pavement without the need for full resurfacing of the asphalt. The Fiscal Year 2021-23 slurry seal project for non-arterial streets was identified as Zone F.

On April 5, 2022, the City Council awarded a construction contract to AAS for the Slurry Seal Project for Non-Arterial Streets, Zone F for \$1,306,825.69. The Project began on May 9, 2022. The City Manager authorized Contract Change Orders CCO #1 and CCO #2, which together added \$27,311.44 in compensation to the construction contract with AAS. These Change Orders provided compensation for additional work related to final quantity adjustments based on field conditions, IRWD's request for additional utility adjustments, additional repairs, and Micro Mill of the asphalt lips at high foot traffic areas.

DISCUSSION:

AAS substantially completed construction activities on July 19, 2022. The City's construction manager conducted a final inspection to ensure the Project's completion per the contract requirements.

The Notice of Completion establishes a date that limits the time subcontractors and material vendors may file stop notices or liens against the project. Following City Council approval, the City Clerk must submit the Notice of Completion to the Clerk Recorder of Orange County within 15 days of the City Council's action, as required by Section 9204 of the California Civil Code. Following approval and recordation, the Notice of Completion establishes a 30-day period for subcontractors and material vendors to file stop payment notices and initiates the start date for the warranty period. Since the work has been completed and accepted by the City, staff recommends the City Council approve the Notice of Completion and release the retention payment 30 days after recording the Notice of Completion, providing there are no stop notices for the project on file with the City.

Approving the recommended action would find the project complete, authorize the Mayor and City Clerk to sign the Notice of Completion, and allow staff to release any unencumbered retention in accordance with California law.

FISCAL IMPACT:

The fiscal impact of the recommended action would allow staff to release any unencumbered retention in accordance with California law. The total contract cost of the Project is \$1,334,137.13. Sufficient funding exists in the 2021-2028 Capital Improvement Projects Plan – Street Resurfacing and Slurry Seal Improvement Project to cover the costs of the recommended action.

ATTACHMENTS:

Notice of Completion for Slurry Seal Project for Non-Arterial Streets, Zone F

Initiated By: Nazila Mokarram, Principal Civil Engineer

Submitted By: Thomas E. Wheeler, P.E., Director of Public Works/City Engineer

Approved By: Debra Rose, City Manager