

**City of Yuba City
Public Works Department
Staff Report**

Date: November 7, 2006
To: Honorable Mayor and Members of the City Council *GM*
From: George L. Musallam, Public Works Director

Summary:

Subject: Plumas Street Improvements

Recommendation:

1. Authorize staff to proceed with the amendment of the plans and specifications for the project.
2. Approve a supplemental appropriation of \$500,000 to cover the cost of the architectural and engineering services to amend the plans.

Alternative: Do not accept staff recommendation.

Fiscal Impact: Sufficient funds are available in the Redevelopment Agency Accounts to cover the required additional costs to amend the plans. We estimate this cost to be \$500,000 (including \$100,000 for contingencies).

Background: As Council is aware, Yuba City entered into a contract with Freedman, Tung, and Bottomley (FTB) to prepare plans and specifications for the construction of a street revitalization project for the downtown area. Granite Construction was the sole bidder with a bid amount of \$18,632,897, which was over the budgeted amount for the project. Subsequently, Council rejected the bid and directed staff to conduct a value engineering study to explore options to reduce the cost. FTB completed the study outlining several options to reduce the cost of the project.

At the Special Study Session of October 17, 2006, staff presented a summary of the value engineering findings, along with the Downtown Business Association's recommendations on items that they will support to be removed or amended in the contract. At that meeting, direction was given to staff to bring back to Council an action item authorizing staff to work with FTB on amending the plans to develop a design that will reduce the cost of construction.

Staff Plan: After receiving direction from Council, staff intends to meet with FTB to discuss the value engineering report and decide on the different items included in the report. Staff-level decisions will be made on which items to modify in the contract. This decision will be discussed

with the Council's ad hoc committee and with representatives from the Downtown Business Association. After approval by the ad hoc committee, FTB will be given direction to proceed with amending the plans. Once plans are completed, they will be presented to Council for approval prior to bidding. We anticipate bidding the project and award of contract this winter.