



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Public Works

Prepared by: Bill Guerin,  
Director of Public Works

City Manager Approval: 

**TOPIC: SMITH RANCH ROAD AND LUCAS VALLEY ROAD RESURFACING**

**SUBJECT: A RESOLUTION AWARDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT FOR THE SMITH RANCH ROAD AND LUCAS VALLEY ROAD RESURFACING PROJECT, CITY PROJECT NO. 11336, TO GHILOTTI BROS., INC., IN THE AMOUNT OF \$997,779, AND AUTHORIZING CONTINGENCY FUNDS IN THE AMOUNT OF \$142,221, FOR A TOTAL APPROPRIATED AMOUNT OF \$1,140,000.**

**RECOMMENDATION:** Adopt the resolution awarding and authorizing the City Manager to execute a construction agreement with Ghilotti Bros., Inc. in the amount of \$997,779, and authorizing contingency funds in the amount of \$142,221.

**BACKGROUND:** Throughout the early and mid-1900s, the State of California retained large swaths of real estate for planning and construction of the present-day freeway system, including U.S. Highway 101. Cities that desire to provide access to the freeway system must request approval from Caltrans to construct local streets in the State right of way. While local streets are built within State right-of-way to allow public access to the freeway system, Caltrans, as the State Department of Transportation, typically does not maintain these streets. Maintenance roles and responsibilities are therefore transferred to local municipalities utilizing maintenance agreements.

On November 18, 2019, the City Council approved a Project Specific Maintenance Agreement (PSMA) with Caltrans in which the City is responsible for maintenance of portions of Lucas Valley/Smith Ranch Roads within Caltrans right-of-way, including resurfacing the roadway. The proposed project includes installation of ADA-compliant wheelchair ramps at project intersections as well as resurfacing and new striping.

Public Works staff prepared the plans, specifications, and cost estimate for the project, which was found to have no significant impact on the environment and is therefore categorically exempt under the California Environmental Quality Act (CEQA). The project was advertised in accordance with San Rafael's Municipal Code on May 6, 2020.

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**FOR CITY CLERK ONLY**

File No.:

Council Meeting:

Disposition:

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**ANALYSIS:** On May 21, 2020, the following bids were received and read aloud:

<b>NAME OF BIDDER</b>	<b>Amount</b>
Ghilotti Bros., Inc	\$997,779.00
Team Ghilotti, Inc.	\$1,069,141.77
Ghilotti Construction Company	\$1,071,912.50
Nelson Construction	\$1,219,060.75

The construction bids have been reviewed by Public Works staff and the low bid of \$997,779 from Ghilotti Bros., Inc., was found to be responsive, responsible, and within available funding. The recommended Resolution awards the construction contract to Ghilotti Bros., Inc.

**PUBLIC OUTREACH:** If the City Council approves this project to proceed, Public Works will perform outreach using various social media channels, the City website, and changeable message signs located at various intersections along the corridor. As the project area is heavily utilized by the traveling public, construction will be performed at night between the hours of 9 PM and 6 AM.

**FISCAL IMPACT:** In addition to the \$997,779 contract amount, Staff recommends the City Council approve a contingency amount of \$142,221 for a total of \$1,140,000. Staff proposes to fund construction of this project utilizing restricted Road Maintenance and Rehabilitation Account (RMRA), or Senate Bill 1, funding. RMRA funds constitute a portion of the City's Gas Tax fund (Fund #206). Appropriations in the City's Gas Tax fund (Fund #206) for project #11336 shall be increased by \$1,140,000.

**OPTIONS:** The City Council has the following options to consider relating to this matter:

1. Adopt the resolution as presented.
2. Do not award the contract and direct staff to rebid the project. If this option is chosen, rebidding will delay construction until fall 2020.
3. Do not award the contract and provide direction to staff.

**ATTACHMENT:**

1. Resolution Awarding Construction Agreement to Ghilotti Bros., Inc.
2. Draft Construction Agreement with Ghilotti Bros., Inc.

**RESOLUTION NO.**

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL AWARDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT FOR THE SMITH RANCH ROAD AND LUCAS VALLEY ROAD RESURFACING PROJECT, CITY PROJECT NO. 11336, TO GHILOTTI BROS., INC., IN THE AMOUNT OF \$997,779, AND AUTHORIZING CONTINGENCY FUNDS IN THE AMOUNT OF \$142,221 FOR A TOTAL APPROPRIATED AMOUNT OF \$1,140,000.**

**WHEREAS**, on the 21st day of May 2020, pursuant to due and legal notice published in the manner provided by law, inviting sealed bids or proposals for the work hereinafter mentioned, as more fully appears from the Affidavit of Publication thereof on file in the office of the City Clerk of the City of San Rafael, California, the City Clerk of said City did publicly open, examine, and declare all sealed bids or proposals for doing the following work in said City, to wit:

**“Smith Ranch Road and Lucas Valley Road Resurfacing”**

**City Project No. 11336**

in accordance with the plans and specifications therefor on file in the office of the Department of Public Works; and

**WHEREAS**, the bid of \$997,779 from Ghilotti Bros., Inc., at the unit prices stated in its bid, was and is the lowest and best bid for said work and said bidder is the lowest responsible bidder; and

**WHEREAS**, staff has recommended that the project budget include a contingency amount of \$142,221;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL RESOLVES** as follows:

1. The bid of Ghilotti Bros., Inc. is hereby accepted at the unit prices stated in its bid, and the contract for said work and improvements is hereby awarded to Ghilotti Bros., Inc., at the stated unit prices.
2. The City Manager is authorized and directed to execute a contract with Ghilotti Bros., Inc., for the bid amount, subject to final approval as to form by the City Attorney, and to return the bidder's bond upon the execution of the contract.



## Contract

This public works contract ("Contract") is entered into by and between the City of San Rafael ("City") and Ghilotti Bros., Inc. ("Contractor"), for work on the Smith Ranch Road and Lucas Valley Road Resurfacing Project ("Project").

The parties agree as follows:

1. **Award of Contract.** In response to the Notice Inviting Bids, Contractor has submitted a Bid Proposal to perform the Work to construct the Project. On June 1, 2020, City authorized award of this Contract to Contractor for the amount set forth in Section 4, below.
2. **Contract Documents.** The Contract Documents incorporated into this Contract include and are comprised of all of the documents listed below. The definitions provided in Article 1 of the General Conditions apply to all of the Contract Documents, including this Contract.
  - 2.1 Notice Inviting Bids;
  - 2.2 Instructions to Bidders;
  - 2.3 Addenda, if any;
  - 2.4 Bid Proposal and attachments thereto;
  - 2.5 Contract;
  - 2.6 Payment and Performance Bonds;
  - 2.7 General Conditions;
  - 2.8 Special Conditions;
  - 2.9 Project Plans and Specifications;
  - 2.10 Change Orders, if any;
  - 2.11 Notice of Award;
  - 2.12 Notice to Proceed;
  - 2.13 Uniform Standards All Cities and County of Marin (available online at: <https://www.marincounty.org/-/media/files/departments/pw/engineering/2018-ucs-complete-set.pdf?la=en>); and
  - 2.14 The following: No Other Documents
3. **Contractor's Obligations.** Contractor will perform all of the Work required for the Project, as specified in the Contract Documents. Contractor must provide, furnish, and supply all things necessary and incidental for the timely performance and completion of the Work, including all necessary labor, materials, supplies, tools, equipment, transportation, onsite facilities, and utilities, unless otherwise specified in the Contract Documents. Contractor must use its best efforts to diligently prosecute and complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents, and in full compliance with Laws.
4. **Payment.** As full and complete compensation for Contractor's timely performance and completion of the Work in strict accordance with the terms and conditions of the Contract Documents, City will pay Contractor \$997,779 ("Contract Price") for all of Contractor's direct and indirect costs to perform the Work, including all labor, materials, supplies, equipment, taxes, insurance, bonds and all overhead costs, in accordance with the payment provisions in the General Conditions.
5. **Time for Completion.** Contractor will fully complete the Work for the Project within 40 working days from the commencement date given in the Notice to Proceed ("Contract Time"). By signing below, Contractor expressly waives any claim for delayed early completion.
6. **Liquidated Damages.** If Contractor fails to complete the Work within the Contract Time, City will assess liquidated damages in the amount of \$500 per day for each day of unexcused delay in

completion, and such liquidated damages may be deducted from City's payments due or to become due to Contractor under this Contract.

**7. Labor Code Compliance.**

**7.1 General.** This Contract is subject to all applicable requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code, including requirements pertaining to wages, working hours and workers' compensation insurance, as further specified in Article 9 of the General Conditions.

**7.2 Prevailing Wages.** This Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes. Copies of these prevailing rates are available online at <http://www.dir.ca.gov/DLSR>.

**7.3 DIR Registration.** City may not enter into the Contract with a bidder without proof that the bidder and its Subcontractors are registered with the California Department of Industrial Relations to perform public work pursuant to Labor Code § 1725.5, subject to limited legal exceptions.

**8. Workers' Compensation Certification.** Pursuant to Labor Code § 1861, by signing this Contract, Contractor certifies as follows: "I am aware of the provisions of Labor Code § 3700 which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work on this Contract."

**9. Conflicts of Interest.** Contractor, its employees, Subcontractors and agents, may not have, maintain or acquire a conflict of interest in relation to this Contract in violation of any City ordinance or requirement, or in violation of any California law, including Government Code § 1090 et seq., or the Political Reform Act, as set forth in Government Code § 81000 et seq. and its accompanying regulations. Any violation of this Section constitutes a material breach of the Contract.

**10. Independent Contractor.** Contractor is an independent contractor under this Contract and will have control of the Work and the means and methods by which it is performed. Contractor and its Subcontractors are not employees of City and are not entitled to participate in any health, retirement, or any other employee benefits from City.

11. **Notice.** Any notice, billing, or payment required by or pursuant to the Contract Documents must be made in writing, signed, dated and sent to the other party by personal delivery, U.S. Mail, a reliable overnight delivery service, or by email as a PDF file. Notice is deemed effective upon delivery, except that service by U.S. Mail is deemed effective on the second working day after deposit for delivery. Notice for each party must be given as follows:

**City:**

City Clerk's Office  
1400 Fifth Avenue, Room 209  
San Rafael, CA 94901  
Attn: City Clerk

Copy to: Director of Public Works  
Email: [Bill.Guerin@cityofsanrafael.org](mailto:Bill.Guerin@cityofsanrafael.org)

**Contractor:**

Name: Ghilotti Bros. Inc.  
Address: 525 Jacoby Street  
City/State/Zip: San Rafael, CA 94901  
Phone: 415-265-7011  
Attn: Dennis Huette  
Email: [dennish@ghilottibros.com](mailto:dennish@ghilottibros.com)  
Copy to: Susan Harward

12. **General Provisions.**

- 12.1 **Assignment and Successors.** Contractor may not assign its rights or obligations under this Contract, in part or in whole, without City's written consent. This Contract is binding on Contractor's and City's lawful heirs, successors and permitted assigns.
- 12.2 **Third Party Beneficiaries.** There are no intended third party beneficiaries to this Contract.
- 12.3 **Governing Law and Venue.** This Contract will be governed by California law and venue will be in the Marin County Superior Court, and no other place. Contractor waives any right it may have pursuant to Code of Civil Procedure § 394, to file a motion to transfer any action arising from or relating to this Contract to a venue outside of Marin County, California.
- 12.4 **Amendment.** No amendment or modification of this Contract will be binding unless it is in a writing duly authorized and signed by the parties to this Contract.
- 12.5 **Integration.** This Contract and the Contract Documents incorporated herein, including authorized amendments or Change Orders thereto, constitute the final, complete, and exclusive terms of the agreement between City and Contractor.
- 12.6 **Severability.** If any provision of the Contract Documents is determined to be illegal, invalid, or unenforceable, in whole or in part, the remaining provisions of the Contract Documents will remain in full force and effect.
- 12.7 **Iran Contracting Act.** If the Contract Price exceeds \$1,000,000, Contractor certifies, by signing below, that it is not identified on a list created under the Iran Contracting Act, Public

Contract Code § 2200 et seq. (the "Act"), as a person engaging in investment activities in Iran, as defined in the Act, or is otherwise expressly exempt under the Act.

**12.8 Authorization.** Each individual signing below warrants that he or she is authorized to do so by the party that he or she represents, and that this Contract is legally binding on that party. If Contractor is a corporation, signatures from two officers of the corporation are required pursuant to California Corporation Code § 313. If Contractor is a partnership, a signature from a general partner with authority to bind the partnership is required.

*[Signatures are on the following page.]*

The parties agree to this Contract as witnessed by the signatures below:

**CITY:**

Approved as to form:

s/ \_\_\_\_\_

s/ \_\_\_\_\_

Jim Schutz, City Manager

Robert F. Epstein, City Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

s/ \_\_\_\_\_

\_\_\_\_\_  
Lindsay Lara, City Clerk

Date: \_\_\_\_\_

**CONTRACTOR:**

\_\_\_\_\_ Business Name

s/ \_\_\_\_\_

Seal:

\_\_\_\_\_  
Name, Title

Date: \_\_\_\_\_

Second Signature (See Section 12.8):

s/ \_\_\_\_\_

\_\_\_\_\_  
Name, Title

Date: \_\_\_\_\_

\_\_\_\_\_  
Contractor's California License Number(s) and Expiration Date(s)

END OF CONTRACT