



**DATE:** November 15, 2022

**TO:** Mayor and City Council

**FROM:** Director of Public Works  
City Attorney

**SUBJECT:** Adopt a Resolution Approving the Appropriation of \$150,000 for the Golden Oaks II - Tract 8058 Improvement Project, No. 08058, and Authorizing Staff to Increase the Construction Contract with Golden Bay Construction, Inc., Contract No. 22132, by the Same Amount for a Total Not-To-Exceed Amount of \$1,093,733

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the appropriation of \$150,000 for the Golden Oaks II Tract 8058 Improvement Project, No. 08058, and authorizing the staff to increase the Construction Contract No. 22132 with Golden Bay Construction, Inc. (GBC), by the same amount for a not-to-exceed total amount of \$1,093,733.

### **SUMMARY**

This project involves construction of specific improvements for Golden Oaks II Tract 8058. Once completed, these improvements will allow the property owners within the tract to connect their homes to utility services and apply for certificates of occupancy. The subdivider did not meet all construction obligations per the Subdivision Improvement Agreement within the agreement term length. With Council's authorization, the Department of Public Works & Utilities prepared construction bid documents for the required subdivision improvements, invited bids, and awarded a construction contract as per the Public Contract Code to GBC for the total bid amount of \$713,831. An additional amount of \$89,770 was allocated for the construction contingencies. The construction contingency was increased by an additional \$140,671.91 by transferring and appropriating the subdivider's remaining cash deposit. Staff requests that Council appropriate an additional \$150,000 to Project 08058 and authorize staff to increase GBC's contract by up to that same amount to complete post construction erosion control measures, reinforce concrete driveways, and other remaining work.

### **BACKGROUND**

In February 2017, the developer entered into a Subdivision Improvement Agreement with the City to construct improvements for the subdivision within 365 days of execution of the agreement. To secure performance obligations under the agreement, the developer was required to submit a cash deposit in the amount of \$209,140.76. The improvements remained incomplete through 2021. In January 2022, Council authorized the Director of Public Works to pursue completion of the improvements in the open market pursuant to Hayward Municipal Code Section 2-8.01. In February 2022, the Department prepared construction bid documents and collected six (6) bids. In March 2022, Council adopted Resolution No. 22-057 awarding a construction contract to GBC for \$713,831 and a contingency amount of \$89,770. In July 2022, Council adopted Resolution No. 22-217 to transfer and appropriate the cash deposit balance, an amount of \$140,671.91, to the Project and increase the construction contingency by the same amount. This amount funded removal of stockpiled excess dirt and extending water, sewer, gas, and electrical services to each lot.

## **DISCUSSION**

The construction contract involves improvements related to the sanitary sewer system, natural gas, electricity, and telecommunication lines to each new home in Tract 8058. It also includes completion of grading, all weather access, stormwater collection and treatment, and removal of surplus dirt, among other improvements. The appropriation of funds and increasing the contract will support the added costs of post-construction erosion control work, reinforcing concrete driveways, equipment rentals, materials testing, and other remaining work.

A California Environmental Quality Act (CEQA) review was conducted as part of the original entitlement process for the Project. Pursuant to Section 15332 of the CEQA Guidelines for infill development, the Project was found to be categorically exempt from environmental review. The Project is also exempt from the Community Workforce Agreement with the Alameda County Building Trades Council since the project construction estimate was less than \$1,000,000.

## **ECONOMIC IMPACT**

This item is not anticipated to have a significant economic impact to the City.

## **FISCAL IMPACT**

This item is currently funded through the City Attorney's Risk Fund and the original developer deposit. Both sources of funds are close to being exhausted. This item requires an appropriation from the General Fund (Fund 100) of \$150,000. Any savings in the construction contract will be returned to the General Fund. The City will attempt to pursue remedies against the original developer of the project that defaulted.

## **STRATEGIC ROADMAP**

This item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

**SUSTAINABILITY FEATURES**

This item is not anticipated to have significant sustainability features. However, the contractor is required to adhere to the City's construction recycling procedures.

**PUBLIC CONTACT**

No public contact is required for this item.

**NEXT STEPS**

If Council approves this item, staff will appropriate \$150,000 to the Project and increase the construction contract with Golden Bay Construction, Inc, as needed, not to exceed \$1,093,733.

*Prepared by:* Manny Grewal, Management Analyst  
Mo Sharma, Senior Civil Engineer  
Kathy Garcia, Deputy Director of Public Works

*Recommended by:* Alex Ameri, Director of Public Works  
Michael S. Lawson, City Attorney

Approved by:



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Kelly McAdoo, City Manager