



CITY COUNCIL STAFF REPORT

TO: City Council

DATE: June 23, 2025

DEPARTMENT: Public Works Department

PREPARED BY: Chantell O'Neal, Assistant Director, Engineering

PRESENTER: John Smith, Public Works Director

AGENDA TITLE: Receive Report and Consider Adoption City Council Resolution Accepting the Bid of Argonaut Constructors, Inc. as the Lowest Responsive Bid, Awarding the Stop Gap Patch Paving Project, and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$350,000), Categorical Exemption 15301(c)

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution:

- Accepting the lowest responsive bid for the Stop Gap Patch Paving Project; and
- Authorizing the City Manager to execute a contract with Argonaut Constructors, Inc. in an amount not to exceed \$350,000.

BACKGROUND

During the Mid-Year Budget meeting on March 20, 2025, City Council discussed the urgent need to address deteriorating street conditions citywide and directed staff to pursue immediate maintenance interventions. In response, staff proposed a limited-scope "stop-gap" patch paving project to target severely degraded street segments not scheduled for improvement within the next three years.

On May 12, 2025, the City Council authorized staff to use Local Streets and Roads (LSR) funding in combination with unassigned reserves (via budget amendment 2024/25-10) to fund up to \$800,000 in street maintenance. Subsequently, on May 27, 2025, Council adopted Resolution 4928-2025 allocating the full Fiscal Year 2025–26 RMRA share—estimated at \$187,714—toward the Stop Gap Patch Paving Project.

The City retained Lumos & Associates under its On-Call Engineering Services Contract to develop design documents. On April 28, 2025, the City approved Amendment 1 to that contract, allocating \$8,500 for this project's design.

DISCUSSION AND ANALYSIS

The Stop Gap Patch Paving Project includes targeted surface repairs such as large pothole patching and restoration of deteriorated wheel paths across up to six streets. These include South Street, Cypress Street, Pine Street, Cedar Street, North Harold Street, and Taubold Court. The project prioritizes locations not otherwise scheduled for rehabilitation in the City's 5-year Capital Improvement Plan and is intended to prolong pavement life by 3–6 years at each location.

Unlike full roadway rehabilitation, this “stop-gap” approach focuses on drivability improvements with minimal design and no utility coordination, making it an efficient use of limited resources. The City has committed a maximum construction budget of \$350,000. Construction Management services are being provided by Lumos & Associates under the CM agreement being considered in a related item on this agenda.

A competitive bid solicitation was issued on June 2, 2025. Bids were opened on June 16, 2025, and the City received one (1) bid. Based on a review of those bids, staff recommends awarding the contract to Argonaut Constructors Inc. as the lowest responsive and responsible bidder.

A map and table summarizing proposed project locations are shown in the figures below.

FISCAL IMPACT/FUNDING SOURCE

The estimated total construction budget is \$350,000. Funding sources include:

- Unassigned reserves approved in the Mid-Year Budget
- Local Streets and Roads (LSR) funds FY 2025–26 RMRA (SB 1) allocation estimated at \$187,714

Design services in the amount of \$8,500 were allocated to Lumos & Associates under their On-Call Services contract. Construction Management costs are covered under the separate item awarding CM services for both this and the 2025 Pavement Preservation Project.

The bid package included the six priority locations and an estimated 73,000 square feet of patch paving work. The project was structured so that the final amount of work performed could be adjusted depending on the bid results and available budget.

The lowest responsive bid came in at \$7.50 per square foot. With a total budget of \$350,000 available for this work, that unit price would allow for approximately 46,666 square feet of patching, significantly less than the 73,000 square feet originally scoped. A breakdown of the estimated square footage by street segment is included in Table 1, along with a running total of square footage that can be completed within various budget levels. With the current funding and priorities, we will only be able to patch South Street and Cypress Street.

This information allows staff and the City Council to consider how much of the proposed work can be performed now, and whether priorities should be adjusted or funding increased.

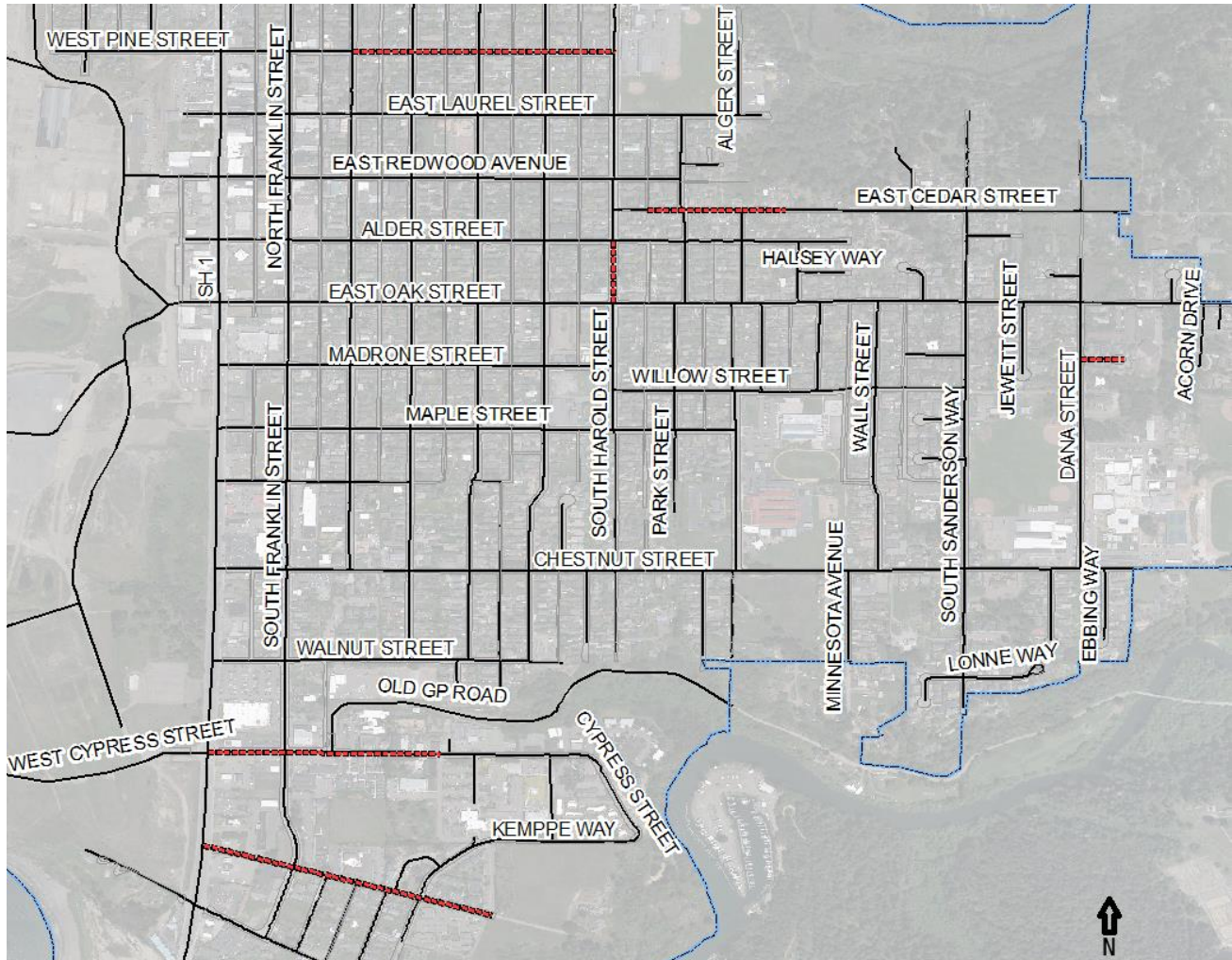
This situation presents an important policy decision. The current budget will not allow us to complete the full scope as envisioned. Council may wish to prioritize the highest-need areas for this round of work or consider augmenting the budget to capture more of the needed pavement repairs under this contract.

These options are discussed further in the Alternatives section below. Staff welcomes Council input on how to best proceed given the funding limitations and community needs.

Priority	Roadway	Beginning	End	Estimated Quantity (SF)	Cost at \$7.50/SF	Running Total
1	South St	Main Street	End of City-Owned Pavement	28000	\$ 210,000.00	\$ 210,000.00
2	Cypress St	Main Street	2025 Project Limit	20000	\$ 150,000.00	\$ 360,000.00
3	Pine St	N McPherson	N Harold	4000	\$ 30,000.00	\$ 390,000.00
4	Cedar St	Alley East of Harold	Speed hump east of Otis Johnson Park	7000	\$ 52,500.00	\$ 442,500.00
5	N. Harold St	Oak Street	Alder Street	5000	\$ 37,500.00	\$ 480,000.00
6	Taubold Court	Beginning	End	9000	\$ 67,500.00	\$ 547,500.00
Total				73000	\$ 547,500.00	

ENVIRONMENTAL ANALYSIS:

The project is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301(c), which applies to maintenance of existing streets with no increase in capacity. There is minimal environmental impact expected due to the small scale and surface-level nature of the patch paving work.



STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY

This project supports Strategic Plan goals of securing, operating, and maintaining sustainable public infrastructure for community well-being and future growth. It is consistent with:

- **Strategic Plan Goal 2F:** Enhance walkable, safe, and resilient streetscapes.
- **General Plan Policy C-9.2:** Improve East-West Arterials.

The project also supports Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, by utilizing RMRA funds to carry out essential street repairs that would otherwise be delayed. The patch paving approach is being used as an interim strategy to prevent further roadway degradation on streets not scheduled for full rehabilitation for three or more years.

COMMUNITY OUTREACH

Even though this project was only conceived of in March 2025, City staff have presented information about this project to gather input on transportation and street maintenance priorities at several public meetings. This includes:

- Public Works and Facilities Committee meetings
 - City Council discussions on budget strategy and project scope
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COMMITTEE REVIEW AND RECOMMENDATIONS

The Public Works and Facilities Committee reviewed this project at a concept level on March 31, 2025. The project scope was approved by City Council on May 12, 2025.

ALTERNATIVES:

1. Do not award the contract – This would delay needed repairs and diminish roadway drivability on some of the City's most deteriorated streets.
2. Reduce project scope or re-bid – This may delay construction and reduce the effectiveness of the stop-gap approach.
3. Reorganize the Priority list, since the proposed per square foot price only when a maximum of \$350,000 only allows us to patch 46,666 SF, and we've estimated 73,000 based on the locations suggested.
4. Increase the budget to allow for more work to be completed under this project (see table 1 above).

Staff recommends proceeding with contract award to ensure timely construction and efficient use of designated funds.

ATTACHMENTS:

1. Resolution Awarding Construction Contract
 2. Construction Contract with Argonaut Constructors, Inc.
 3. Bid Summary
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NOTIFICATION:

- Notify: Street Construction Listserve (via City website "Notify Me")
- Lumos and Associates, Inc
- All Contractors on Bid Summary