



2022 Streets Rehabilitation Project Final Closeout & Asset Protection Strategy

PUBLIC WORKS DEPARTMENT | PROJECT NO. PWP-00120 | MARCH 9, 2026

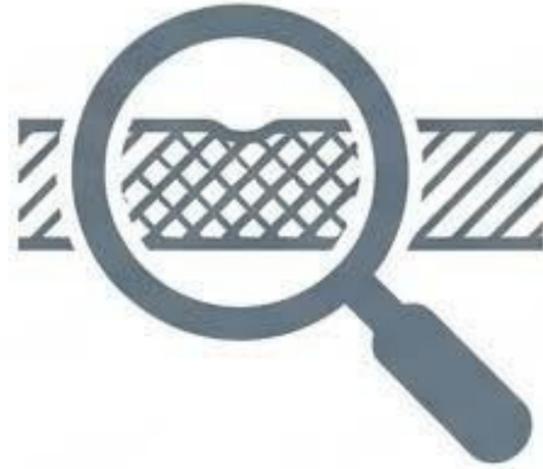


Executive Summary



The Wins

A \$4.4M comprehensive overhaul of city streets, delivering miles of new pavement, 19 ADA ramps, and critical safety upgrades.



The Challenge

18 specific areas of surface delamination have been identified on the Franklin Street slurry seal. Remediation is required.



The Strategy

Formally accept the Certificate of Completion today. This counter--intuitive act activates a maintenance bond, a \$361K financial guarantee of Franklin St. and other necessary repairs

Delivering on the 2017 Pavement Management Program

Following competitive bidding, the City Council awarded the \$3.6M initial construction contract to Argonaut Constructors in July 2023, with design by R.E.Y. Engineers and CM by SHN.



Pavement Rehabilitation & Preservation



Full HMA Restoration (5 Blocks / 2,500 linear ft):

- Boatyard Drive (Shopping center to Hwy 20)
- 100 Block of East Chestnut
- 500 Block of S. Harold Street
- 100-200 Blocks of West Fir Street

Maintenance Treatment ROI:

Slurry Seal applied to 350,000 sq ft (1.4 miles) of Franklin Street.

\$0.55

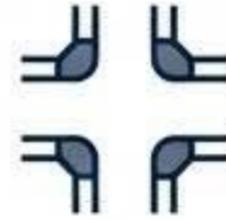
per square foot bid price. Total cost: \$191,202 (compared to ~\$143k per block for full reconstruction). Highly cost-effective.

Modernizing Accessibility and Pedestrian Safety



19 ADA Curb Ramps

Upgraded and installed across the city to meet modern accessibility standards.



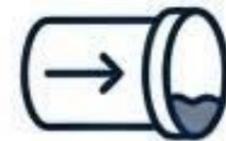
4 Intersectional Bulb-Outs

Constructed at Oak and Harold to reduce pedestrian crossing distances and drastically improve visibility in school zones.



738 Sq. Ft. of High-Visibility Crosswalks

Ladder-style installations replacing older crosswalks in the Harold St corridor & rehabilitation of older decorative crosswalks in the Central Business District.



Major Drainage Upgrades

Installation of 30-inch nyloplast drain basins and 708 linear feet of HDPE plastic pipe.

City-Wide Traffic Striping and Roadway Markings



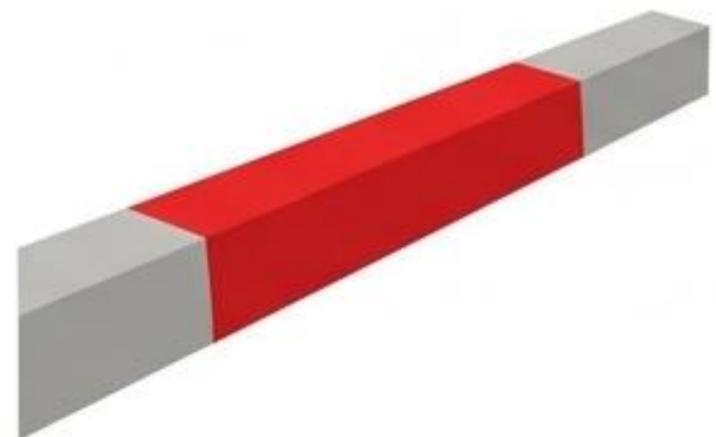
10 Miles

(56,849 linear feet) of traffic stripes removed and replaced across the city.



3.5 Miles

of new roadway markings applied to collectors, arterials, and school zones (including 16,480 sq ft of thermoplastic stop bars and decals).



3,300+ Sq. Ft.

of red curb safety painting to improve parking management and intersection visibility.

The Challenge: Franklin Street Surface Delamination

The Issue:

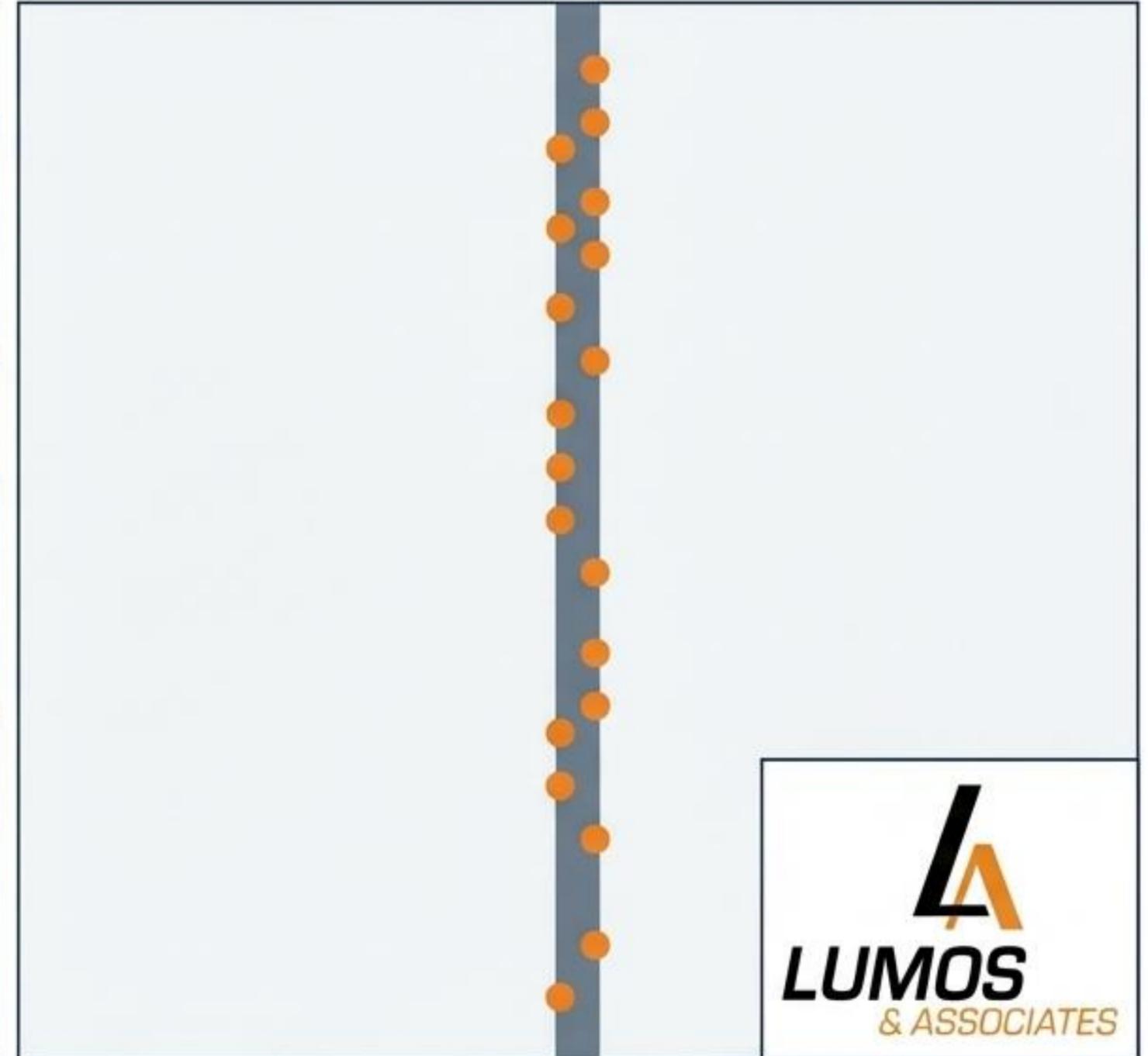
Following substantial completion in October 2024, significant issues with the slurry seal application on North Franklin Street became apparent.

Third-Party Verification:

Independent inspection by Lumos & Associates identified exactly 18 locations of surface treatment loss.

The Directive:

Lumos recommended that Argonaut Constructors remove and replace all failing areas until proper adhesion is achieved to the satisfaction of the City.



The Strategic Dilemma of Project Closeouts



The Natural Hesitation

Why would we accept a project that still has visible flaws? The instinct is to withhold the Certificate of Completion as leverage to force the contractor to return.



The Contractual Reality

Retention funds have already been paid out (per Section 10.3.2). Therefore, withholding acceptance actually leaves the City with zero remaining cash leverage. It places the project in “Contractual Limbo,” risking insurance and bond renewals.

The Solution: Formal acceptance is the necessary legal trigger to activate our strongest financial protections.

Activating the Shield: The Financial Leverage



The Bottom Line: Accepting the project arms the City with a bonded financial guarantee that is nearly double the total value of the entire Franklin Street surface treatment.

The Legal “Safety Net”

Section 10.3.5 (Non-Waiver of Rights)

Explicitly states that neither acceptance nor final payment relieves the contractor of responsibility for “faulty materials or workmanship.”

Section 11.5.2

Confirms that “neither acceptance... nor any verbal statements... shall operate as a waiver or modification of any provision of the Contract Documents,” preserving the right to damages.

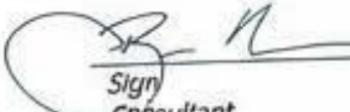
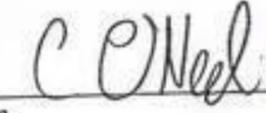


The Takeaway: Best practices dictate that accepting the certificate is the correct and most efficient method to pursue repairs.

The 2026 Remediation Plan

Lumos & Associates, Inc.

Acknowledged By:

	1/16/26		1/20/26		1/20/26
Sign Consultant Brian Herer – Group Manager	Date	Sign Contractor John Carlisle – Project Manager	Date	Sign Owner City of Fort Bragg Chantell O'Neal – Assistant Director	Date
Lumos and Associates, Inc. Expires, Signed By Brian Herer Date: 0025 01-10 18 70/18 0999'		Argonaut Constructors, Inc.		Fort Bragg Public Works	

The Commitment

Argonaut Constructors signed a binding Warranty Agreement Addendum on January 20, 2026, agreeing to handle all repairs and traffic control.

Summer Rework & Deadline

Slurry seal rework physically requires the historical heat of the summer window. All corrections must be completed by September 30, 2026.

Extended Warranty

Per Section 8.14, any work corrected receives an additional 1-year guarantee, protecting Franklin St. through the 2027 season.

Strategy Comparison Matrix

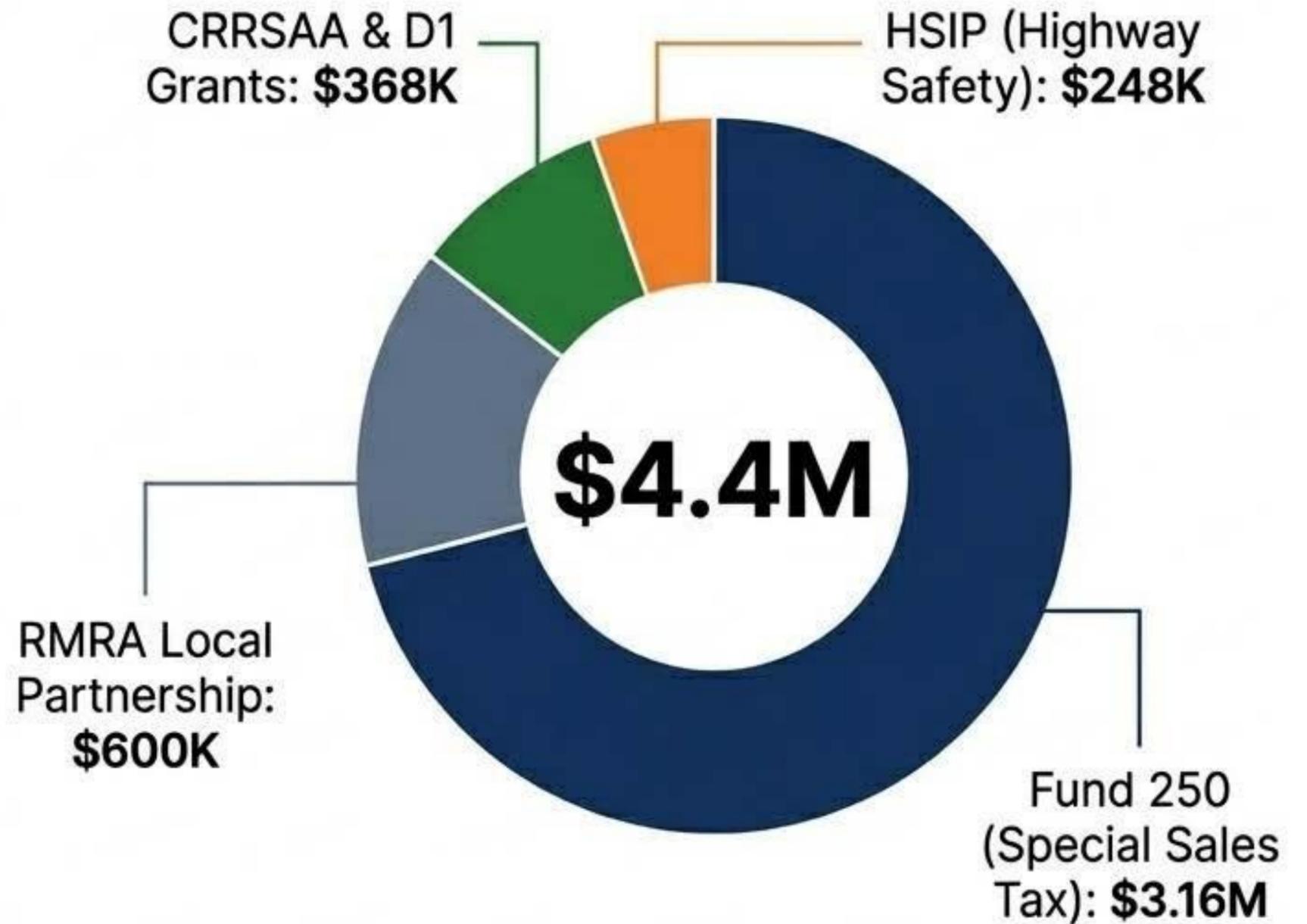
Accept Certificate	Withhold Acceptance
<p>✓ Activates Financial Leverage: Formally triggers the \$361k bond to back-charge if needed.</p>	<p>✗ Zero Cash Leverage: Retention is already paid; withholding offers no direct financial threat.</p>
<p>✓ Triggers Warranty "Reset": Guarantees an additional 1-year extension from the date of repair.</p>	<p>✗ Contractual Limbo: Weakens security by muddying insurance and bond renewals.</p>
<p>✓ Enforceability: Validates the signed Jan 20 Warranty Addendum.</p>	<p>✗ Optics Over Security: Signals dissatisfaction but leaves the \$361k shield entirely inactive.</p>
<p>✓ Reputation: Keeps the City an attractive, professional partner for future competitive bids.</p>	

Financial Excellence: Multiplying Local Dollars

Total Project Cost:

Total Project Cost: \$4,410,434.82
(Finished under the \$4,438M budget estimate).

The City successfully leveraged its "Self-Help" status, using the Special Street Sales Tax (Fund 250) to unlock major state and federal grants.



Consultant Accountability & Fiscal Responsibility

Advancing Strategic Goal 5: The Public Works department demonstrated commitment to “Fund our Future with Financial and Fiscal Responsibility.”

The Issue:

Design errors required the redesign and reconstruction of the Oak and Harold intersection (completed alongside the 2025 Streets Project).

The Recovery:

The City proactively negotiated and successfully recovered **\$69,200** in repayments from the design and CM consultants to offset the costs of these errors.



Final Recommendation & Next Steps



Action Required from City Council Today:

- 1** Receive the final project completion report.
- 2** **Accept the Certificate of Completion for the 2022 Streets Rehabilitation Project, immediately locking in the \$361,183 Maintenance Bond.**
- 3** **Authorize the City Clerk to file a Notice of Completion with the County Recorder.**