



TITLE

Knightsbridge Reconstruction and Water Main Improvements Project Construction Budget

RECOMMENDATION

Adopt a Resolution amending the FY2024-25 Capital Budget and increasing Project Budget from \$2,539,438 to \$2,714,438 in conjunction with the Knightsbridge Reconstruction and Water Main Improvements Project (TR23-0100).

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director/City Engineer

Ron Ranada, P.E., Senior Civil Engineer

BACKGROUND & ANALYSIS

On November 19, 2024, the City Council approved Resolution 2024-89, awarding a construction contract to ARB, Inc. in the amount of \$2,035,773 in conjunction with the Knightsbridge Reconstruction and Water Main Improvements Project (TR23-0100), and authorizing the Public Works Director to approve and execute change orders in an aggregate amount not to exceed the Project Budget.

ARB, Inc. commenced work in January 2025 and has been diligent in its prosecution of the work, and has also been cooperative in finding solutions when unforeseen conditions have unfolded. Most recently, water main improvements were completed in early May. Subsequently, ARB started work on the road rehabilitation scope on May 12th. For all five (5) cul-de-sacs, the proposed road rehab called for a 2-inch asphalt grind and overlay. Knightsbridge Way called for 4-inch cold-in-place recycling (similar in concept to full depth reclamation) with 2-inch asphalt to finish.

In both cases, the treatment assumes that the remainder of the existing road base beneath the work has sufficient strength to support the new pavement improvements. Unfortunately, as ARB tackled the grinding and removal of the existing asphalt within the cul-de-sacs, it became immediately apparent that the road base had in fact degraded over the years and was completely compromised. ARB immediately notified City staff, and both quickly worked on alternative options and costs because the relatively simple grind and overlay treatment would be insufficient and inappropriate as

a treatment. Additionally, it was concluded that the poor condition of the base would similarly undermine the effectiveness of the proposed rehabilitation method in Knightsbridge, likewise rendering the treatment inappropriate.

Based on such factors as cost, potential delays, and pavement longevity, ARB's proposal for total reconstruction via full depth reclamation with cement treated base (FDR-C) was determined to be the best option. Notably, the City has applied this method of treatment with very good results, most recently on last year's Benton Way Project.

ARB has submitted a change order proposal in the amount of \$300,000 to modify the pavement rehabilitation method for the entire Project to FDR-C, which staff has reviewed and found to be reasonable. Including credit(s) on original Bid Items which will no longer be installed due to the change in treatment method, the net increase for the change in pavement treatment cost is approximately \$190,000.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

Per Resolution 2024-89, award of the construction contract provided for approximately \$200,000 in contingency, which is 10% of the original contract amount. The contingency budget consists of \$135,000 from Water Ops (Fund 510), and \$69,000 from a combination of Measure T (now Measure U) and ARPA Grant (Fund 240).

Since Water Ops is a restricted fund, only the latter two funds qualify for funding the needed increase related to the change in road work. Furthermore, of the \$69,000 allotted for road work contingency, only \$36,000 remains due to other unforeseen issues that have been encountered. Hence, additional funding in the amount of \$154,000 is needed to cover just the cost for the change in pavement rehabilitation method. Staff requests additional funding in the amount of \$175,000 to provide for additional contingency, increasing the contingency budget from 10% to 18%.

Staff recommends the following amendment to the FY2024-25 Capital Budget, and increasing the Project Budget from \$2,539,438 to \$2,714,438 in conjunction with the Knightsbridge Reconstruction and Water Main Improvements Project (TR23-0100):

FUND	CURRENT BUDGET	PROPOSED INCREASE	NEW PROPOSED BUDGET
WATER OPS (510)	\$1,331,900	\$0	\$1,331,900
ARPA (240)	\$822,538	\$0	\$ 822,538
MEASURE U	\$385,000	\$175,000	\$ 560,000
TOTAL	\$2,539,438	\$175,000	\$2,714,438

ENVIRONMENTAL REVIEW

15301 - The Project is exempt from review under the California Environmental Quality Act ("CEQA") under the Class 1 exemption of existing facilities of Section 15301 of Title 14 of the California Code of Regulations and said exemption is not negated by any exception under Section 15300.2 of said Regulations.

ATTACHMENTS:

1. [Resolution - Knightsbridge Budget Amendment](#)