



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

PREPARED BY: Patrick Safari, Capital Improvement Projects Manager
Nathan Smith, Deputy Director of Public Works/City Engineer

MEETING DATE: January 13, 2026

SUBJECT: Consideration of Resolution 2026-13, Awarding a Construction Contract for Project No. 2020-04 Sun Lakes Boulevard Extension Project, to Riverside Construction Company, Inc. in the amount of \$20,996,793.50 and approving a 10% contingency for a total budget of “Not-to-Exceed” \$23,096,472.85

RECOMMENDATION:

Adopt Resolution 2026-13

BACKGROUND:

The Sun Lakes Boulevard Extension project has been in planning for over three decades as a key component of the City of Banning major roadway network. The proposed one (1) mile Sun Lakes Boulevard extension roadway will connect Highland Home Road and Sunset Avenue in alignment with Sun Lakes Boulevard to the west and Westward Avenue to the east.

On April 14, 2020, City Council approved Resolution No. 2020-48 for Professional Services Agreement with WEBB for the design of the Sun Lakes Boulevard Extension Project in the amount of \$548,416.05. The Agreement was subsequently amended five (5) times resulting in a total design cost of \$1,364,706.66.

On July 14, 2020, City Council adopted Resolution No. 2020-97, authorizing the City Manager to execute a Transportation Uniform Mitigation Fee (TUMF) Reimbursement Agreement with Western Riverside Council of Government (WRCOG) for up to \$1,000,000 in TUMF funds for the Sun Lakes Boulevard Extension project. The Agreement was subsequently amended two (2) times. The first amendment increased the funding by \$12,000,000 and the second amendment increased the funding by \$7,000,000 for a total of \$20,000,000.

On October 24, 2023, City Council adopted Resolution 2023-174, authorizing the Mayor to execute an Agreement for Measure A Regional Arterial (MARA) funding with the Riverside County Transportation Commission (RCTC) in the amount of \$13,500,000 for the Construction of the Sun Lakes Boulevard Extension Project.

On October 22, 2024, City Council approved Resolution No. 2024-170 for a Reimbursement Agreement with SPFF, L.P., a Delaware limited partnership (Kinder Morgan) for the design and relocation of the pipeline facilities owned and operated by Kinder Morgan in relation to the Sun Lakes Boulevard Extension Project in the amount of \$3,711,119.

On October 9, 2025, staff released an Invitation for Bids (IFB) for the construction of Sun Lakes Boulevard Extension Project on the City’s public bidding platform. The bids were due on December 2, 2025. In response to the IFB, four (4) bids were received from the following contractors:

<u>Contractor</u>	<u>Amount</u>
1) Riverside Construction Co., Inc.	\$20,996,793.50
2) Los Angeles Engineering, Inc.	\$25,150,000
3) Granite Construction Co., Inc.	\$26,060,224
4) Griffith Company	\$27,158,000

The scope of work will include the construction of one mile roadway including importation of 150,000 cubic yards of dirt; installation of storm drain concrete box culverts at three crossings of Smith Creek and West Pershing Channels measuring an average of 120 feet long by 100 feet wide; relocation of approximately 1,200 feet of 20-inch oil pipeline owned by Kinder Morgan; removal of 6 power poles and installation of 3,825 feet of underground electrical conduit and wiring; installation of 84,000 square feet of sidewalk; and installation of signage, street lighting and other miscellaneous items to have a fully functioning roadway. The project is expected to begin construction in March 2026 and end in October 2027.

JUSTIFICATION:

The Sun Lakes Boulevard extension project is considered an important project, which is identified in the City’s General Plan Circulation Element, that will create a new arterial roadway to improve public safety and emergency response; reduce traffic congestion on city streets; reduce greenhouse gas emissions that result from vehicle idling; improve regional connectivity; and facilitate active transportation and public transportation alternatives.

Staff evaluated the bid proposals based on qualifications, cost, experience with the requested scope of services and response to the request for proposals. As a result, staff recommend the award of a Construction Contract to Riverside Construction Company, Inc. in the amount of \$20,996,793.50.

FISCAL IMPACT:

Staff recommends awarding a Construction Contract to Riverside Construction Company, Inc. in the amount of \$20,996,793.50 and approving a 10% contingency in the amount of \$2,099,679.35 for a total “not-to-exceed” project budget of \$ 23,096,472.85.

The project costs are eligible and expected to be reimbursed through TUMF Funds administered by WRCOG and MARA Funds administered by RCTC as shown below:

<u>Funding Source</u>	<u>Amount</u>
TUMF Funds	\$20,000,000
MARA Funds	\$13,500,000
Total	\$33,500,000

The overall project expenses include key components required for successful completion: the Design Contract for planning and engineering, Construction Contract for physical build-out, and the essential Kinder Morgan Pipeline Relocation to address existing infrastructure conflicts. Additional costs will cover Environmental Construction Monitoring to ensure compliance with mitigation measures and Environmental Fees for permitting and oversight as shown below:

<u>Project Expenses</u>	<u>Amount</u>
Design Contract	\$1,364,706.66
Construction Contract	\$23,096,472.85
Kinder Morgan Pipeline Relocation	\$3,711,119
Environmental Construction Monitoring	\$420,090

<u>Environmental Fees</u>	<u>\$58,796.50</u>
Total	\$28,651,185.01

With all expenses totaling \$28,651,185.01 and total project funding of \$33,500,000, the project maintains a healthy financial buffer of approximately \$4.35 million, ensuring it remains on solid financial ground with adequate contingency for unforeseen costs.

The project shall be funded through Measure "A" Account No. 101-4900-431.93-16. An appropriation in the amount of \$23,096,472.85 is required to fund the project. City staff will submit monthly reimbursement invoices to RCTC and WRCOG and has been in coordination with those agencies regarding the reimbursement schedule.

ALTERNATIVES:

Do not approve Resolution 2026-13 and provide alternative direction to staff.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution_2026-13.docx](#)
2. [Resolution No. 2020-048.pdf](#)
3. [Resolution No. 2020-097.pdf](#)
4. [Resolution No. 2023-174.pdf](#)
5. [Resolution No. 2024-170.pdf](#)
6. [TUMF Reimbursement Agreement - Amendment No. 2.pdf](#)
7. [SFPP LS-11 Reimbursable Agreement City of Banning.pdf](#)
8. [MARA_Grant_Agreement.docx](#)
9. [Riverside Construction_Proposal.pdf](#)