



**CITY OF WILDOMAR
CITY COUNCIL REGULAR MEETING
CONSENT CALENDAR
Agenda Staff Report # 1.12
Meeting Date: August 12, 2026**

SUBJECT: Notice of Completion - Palomar Street Widening (Phase 2) and Wildomar Cemetery Improvements (Phase 1) Projects (CIP 028-2, 067-1)

SUBMITTED BY: Jason Farag, Public Works Director/City Engineer

PREPARED BY: Cameron Luna, Associate Engineer

ACTION:

1. Approve a construction contract contingency increase from 10% to 15% and authorize the Public Works Director/City Engineer to approve change orders not to exceed 15% of the construction contract amount, in the amount of \$1,154,353.95 (contingency).
2. Authorize the City Manager to approve the Task Order First Amendment for Construction Management Services with Geocon West, Inc. for the Palomar St. Widening (Phase 2) and Wildomar Cemetery Improvements (Phase 1) Projects (CIP 028-2, 067-1) in the amount not to exceed \$5,500.
3. Authorize the City Manager to approve the Task Order Second Amendment for Construction Management Services with Interwest Consulting Group for the Palomar St. Widening (Phase 2) and Wildomar Cemetery Improvements (Phase 1) Projects (CIP 028-2, 067-1) in the amount not to exceed \$32,000.
4. Adopt a Resolution entitled:

RESOLUTION NO. 2026 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA ACCEPTING THE PALOMAR STREET WIDENING (PHASE 2) AND WILDOMAR CEMETERY IMPROVEMENTS (PHASE 1) PROJECTS (CIP 028-2 AND 067-1) AS COMPLETE AND AUTHORIZING STAFF TO PREPARE AND FILE THE NOTICE OF COMPLETION WITH THE RIVERSIDE COUNTY RECORDER

SUMMARY:

This item includes a contract contingency adjustment for the Palomar St. Widening and Cemetery Improvements Projects. This item will accept the Palomar Street Widening & Wildomar Cemetery Wall Improvements Project (CIP 028-2 & 067-1) as complete, authorize the filing of a Notice of Completion, and begin the one-year warranty period for the Project.

BACKGROUND:

On October 9, 2024, the City Council awarded a construction contract to Van Engineering, Inc. (Contractor) in the amount of \$7,695,693 for the Palomar Street Widening (Phase 2) and Wildomar Cemetery Improvements (Phase 1) Projects ("Project"). The City Council also

authorized the Public Works Director to execute Task Agreements for Construction Management/Inspection services with Geocon West, Inc. for a total not to exceed of \$97,774.88, and Interwest Consulting Group for a total not to exceed of \$259,000. The City Council also authorized the Public Works Director/City Engineer to approve change orders not to exceed 5% of the construction contract amount (\$384,785) (contingency).

On October 13, 2025, the City Council further authorized the Public Works Director/City Engineer to approve change orders not to exceed 10% of the construction contract amount, in the amount of \$769,569 (contingency).

On January 14, 2026, the City Council authorized the City Manager to execute a Task Order First Amendment for Construction Management Services with Interwest Consulting Group in the amount not to exceed \$125,000.

DISCUSSION:

Project construction is complete, and it is appropriate at this time for the City to accept the project as complete.

Contingency and Contract Change Orders

The original construction contract amount was \$7,695,693 with an authorized 5% contingency (\$384,785). The City Council subsequently authorized a 10% contingency (\$769,569). Several change orders were required during construction to address unforeseen field conditions and to address revisions requested by the City that provided additional public benefit. These change orders included:

1. An extension of street improvement transitions on Gruwell Street north to Orange Street
2. Addition of battery backup equipment to the traffic signals
3. Relocation of a backflow prevention device (reimbursable by EVMWD)
4. Installation of geofabric for pavement subgrade stabilization
5. Additional pavement quantities to account for utilities needing to be relocated or poor soil conditions
6. Cemetery Loop concrete improvements
7. Relocation of EVMWD waterline and emergency repair (potentially reimbursable by EVMWD)
8. Striping and Signage adjustments
9. Traffic signal adjustments
10. Landscape controller adjustments

At project completion, the final construction contract cost was \$8,840,283.42 (14.87% increase). With the costs for the additional work above considered, staff is recommending that the City Council approve an increase in the Project's contingency from 10% to 15% and authorize the Public Works Director/City Engineer to approve change orders not to exceed 15% of the construction contract for a total contract allowance of \$8,849,932. This will allow staff to close out pending construction contract change orders with Van Engineering that were required to complete the final phases of construction for the Project. A corresponding budget adjustment is not necessary to cover the added contingency, as prior FY approved budgets included adequate funds to cover these expenses.

Geocon Task Order Amendment

Due to additional work performed by the contractor under the various contract change orders,

additional material testing and inspection services were required. At the request of the City, Geocon has prepared a First Amendment to their Task Agreement for providing these additional geotechnical and material testing services for the Project. This First Amendment is for an additional fee amount not to exceed \$5,500, bringing the total Agreement amount to \$103,274.88. This First Amendment does not include any hourly rate increases for the consultant's staff and instead honors the original billing rates as included in the Task Agreement approved on October 9, 2024. The First Amendment is included as Attachment B. Approval of this amendment will allow staff to close out its Task Agreement with Geocon for the Project.

Interwest Task Order Amendment

The total construction contract period extended beyond the originally anticipated schedule due to unforeseen delays and also due to additional working days being granted for additional work performed and requested as part of the contract change orders. Additional Construction Management and Inspection services were needed to provide the required oversight for the extended duration of construction. With construction now complete, the City requested Interwest to prepare a Second Amendment to their Task Agreement for the additional construction management and inspection services for the Project. This Second Amendment is for an additional fee amount not to exceed \$32,000, bringing the total Agreement amount to \$428,882. This Second Amendment does not include any hourly rate increases for the consultant's staff and instead honors the original billing rates as included in the Task Agreement approved on October 9, 2024. The Second Amendment is included as Attachment C. Approval of this amendment will allow staff to close out its Task Agreement with Interwest for the Project.

Acceptance and Notice of Completion

Van Engineering has completed the Project improvements in accordance with the contract documents, and the Project is ready for acceptance and filing of the Notice of Completion (NOC) with the Riverside County Recorder. If no liens or claims have been filed within 30 days of filing the NOC, the City will release the remaining 10% retention funds (\$884,028.34) to the Contractor. City staff recommends that the City Council adopt the attached Resolution to accept the Project as complete and authorize staff to file the attached NOC (Attachment A) with the Riverside County Recorder within 10 days.

FISCAL IMPACT:

Construction, including Construction Inspection/Administration, was funded by the fund sources listed in Table 1 below. The Final amounts are estimated and will be reconciled following the close of the FY 26/27 budget.

Funding Source	Original Project Budget (approved FY 24/25)	Final Costs (estimated)
ARPA (Fund 115)	\$1,243,000	\$1,241,129
Measure AA (Fund 120)	\$306,000	\$109,141
Measure A (Fund 201)	\$1,340,000	\$220,949
TDA (Fund 202)	\$432,500	\$413,285
Cemetery (Fund 302)	\$600,000	\$1,020,366
DIF (Fund 440)	\$405,000	\$434,891
Capital Reinvestment (Fund 500)	\$174,000	\$222,850

TUMF (Fund 503)	\$4,132,500	\$4,653,042
Misc. State Funds (Fund 507)	\$16,000	\$42,584
Bond Proceeds (Fund 510)	\$0	\$1,532,296
TOTAL	\$8,649,000	\$ 9,890,788

While final costs exceeded the original Project budget, the final costs are within subsequent budget approvals and budget adjustments made through the FY 24/25, FY 25/26, and FY 26/27 budget cycles. It should be noted that the total Final Costs also include City staff costs as well as costs from the City's contract traffic engineer and traffic signal maintenance contractor for construction support services provided. No additional budget adjustments are necessary to close-out the Project. During construction, the 10% retention funds (\$884,028.34) were encumbered with each progress payment to the contractor and covered by prior fiscal year budgets and no additional funds or budget adjustments are needed. Those funds will now be released/paid to the Contractor in FY 26/27.

ATTACHMENTS:

[Resolution](#)

[A - Notice of Completion](#)

[B - Geocon Amendment No 1](#)

[C - Interwest Amendment No 2](#)