



AGENDA REPORT

Department: Engineering & Public Works
Prepared by: Luca Zappiello, Associate Engineer - Civil
Meeting Date: Tuesday, August 5, 2025
Approved by: Scott W. Huth, Interim City Manager

SUBJECT:

Project Close-Out and Notice of Completion for the 16th Street and M Avenue Storm Drain Repair Project, CIP No. 24-12.

RECOMMENDATION:

Adopt a Resolution Entitled, "Resolution of the City Council of the City of National City, California, 1) Accepting the Work Performed by Palm Engineering Construction Company, Inc. for the 16th Street and M Avenue Storm Drain Repair Project, CIP No. 24-12; 2) Approving the Final Contract Amount of \$355,279.09; 3) Ratifying the Release of Retention in the Amount of \$17,763.95; and 4) Authorizing the Mayor to Sign the Notice of Completion."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

On January 22, 2024, San Diego County experienced a catastrophic rainstorm event (Storm Event) that was considered a "1 in a 1,000-year event" by the United States Geological Survey (USGS). After the Storm Event, the City of National City (City) and other cities within San Diego County declared a state of emergency and deployed City crews to clear debris and assess the severity of damage to homes, businesses and City infrastructure. On January 23, 2024, the Governor of California issued an Emergency Proclamation (Proclamation) to provide support in the response and recovery efforts from the Storm Event and to secure funding (CDAA-2024-04). Subsequent to this Proclamation, the California Office of Emergency Services (CalOES) announced that funding would be available for certain qualified storm-related emergency and permanent repairs, for up to 75% of the cost incurred by the City. Staff has submitted the initial required documentation to CalOES for the storm damage experienced within the City and expects that this project will qualify for reimbursement under that process.

The Storm Event significantly impacted critical City infrastructure, including damage to the City's storm drain system on 16th Street near M Avenue, resulting in a sinkhole on 16th Street. The condition was identified in the weeks following the storm and immediately stabilized. City staff, supported by on-call consultants, completed the evaluation and design to permanently repair the sinkhole and replace approximately 160 feet of failed storm drain pipe, which consisted of a 36" diameter corrugated metal pipe (CMP), with reinforced concrete pipe (RCP), which meets current industry standards.

On July 19, 2024, a bid solicitation for this project was posted on PlanetBids, a free public electronic bidding system for contractors. On July 19, 2024 and July 26, 2024, the bid solicitation was advertised in the local newspaper.

On August 13, 2024, two (2) bids were received by the 1:00 p.m. deadline. Palm Engineering Construction Company, Inc. was the apparent lowest bidder with a total bid amount of \$346,500. Upon review of all documents submitted, Palm Engineering Construction Company's bid was deemed responsive and they were the lowest responsible bidder qualified to perform the work as described in the project specifications.

On September 17, 2024, per Resolution 2024-101, City Council awarded the contract to Palm Engineering Construction Company, Inc. in the amount not to exceed \$346,500 and authorized a 15% contingency in the amount of \$51,975 to address any unforeseen conditions that may arise.

The Notice to Proceed with construction was issued on November 6, 2024. Construction started on November 12, 2024, and was completed on January 22, 2025.

The change orders and line-item adjustments, which are detailed in the Final Contract Balance Report, increased the contract by \$8,779.09. This results in a 2.5% contract increase for a final contract balance of \$355,279.09.

As a result of satisfactory completion of the project, staff recommends that the City Council, 1) accept the work performed by Palm Engineering Construction Company, Inc. for the 16th Street and M Avenue Storm Drain Repair project, CIP No. 24-12; 2) approve the final contract balance of \$355,279.09; 3) ratify the release of retention in the amount of \$17,763.95; and 5) authorize the Mayor to sign the notice of completion, which will be filed with the San Diego County Recorder's Office.

FINANCIAL STATEMENT:

The expenditure of \$355,279.09 for this project was recorded in General Fund account 100-10-19-19900-7299- Contract Services. Staff has submitted the initial required documentation to CalOES for the storm damage experienced within the City and expects that this project will qualify for up to 75% reimbursement under that process.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Public Safety

ENVIRONMENTAL REVIEW:

The Notice of Exemption was filed to satisfy CEQA requirements.

PUBLIC NOTIFICATION:

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Site Plan/Scope

Exhibit B – Final Contract Balance

Exhibit C – Notice of Completion

Exhibit D – Resolution