

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Ron Moreno, Director of Public Works/City Engineer

DATE: June 10, 2025

SUBJECT: Authorize Budget Transfer and Increase Construction Contingency for Sidewalk – Citywide Ynez Road (Rancho Highland Drive to Tierra Vista Road) Project, PW17-28

PREPARED BY: Nino Abad, Senior Civil Engineer

RECOMMENDATION: That the City Council:

1. Authorize a budget transfer of \$280,000 in Measure S funds from the Margarita Recreation Center Project, PW17-21 to the Sidewalk – Citywide Ynez Road (Rancho Highland Drive to Tierra Vista Road), PW17-28; and
2. Approve an increase to the construction contingency for Sidewalk – Citywide Ynez Road (Rancho Highland Drive to Tierra Vista Road), PW17-28, by \$30,000; and
3. Increase City Manager’s construction contract change orders approval authority by \$30,000 for the Sidewalk – Citywide Ynez Road (Rancho Highland Drive to Tierra Vista Road), PW17-28

BACKGROUND: The Sidewalks – Citywide project PWSW-02 is identified in the FY25/26 CIP budget and has been used to fund various sidewalk projects intended to fill missing sidewalk gaps and similar improvements throughout the City. The Sidewalks – Citywide, Ynez Road (Rancho Highland Drive to Tierra Vista Road), PW17-28 is a sub project to PWSW-02.

On September 10, 2024, the City Council approved a construction contract for the Sidewalks – Citywide, Ynez Road (Rancho Highland Drive to Tierra Vista Road), PW17-28 in the amount of \$279,813 to BW&W Company, Inc. The City Council also authorized the City Manager to approve construction contract change orders for the contingency amount of \$83,944.

Project PW17-28, which is in construction and nearing completion, will provide for construction of new sidewalk on the west side of Ynez Road, ADA-compliant access ramps, traffic signal modification, landscaping and irrigation removal and replacement, utility relocation and adjustments, and minor drainage facilities upgrades.

Project PW17-28, as a sub project to PWSW-02, shares its funding. During preparation of the FY24/25 Budget various projects were separated out of PWSW-02 into individual projects to simplify project accounting with unique budgets, with the intent of using any remaining PWSW-02 funds to complete construction of PW17-28 which remained as a sub project. During that process of separating projects, PW17-28 was inadvertently left with a negative budget for administrative costs to start the 24/25 fiscal year. This was not discovered until budget rollovers from the prior fiscal year to the current fiscal year were completed and the project was already under construction.

Additionally, various unforeseen circumstances, such as utility coordination issues, also increased the project duration and resulting administrative costs. The required electrical utility relocation to complete the project was originally scheduled in January of 2025, this was delayed by the utility company as the Public Safety Power Shutoffs (PSPS) took place at the same time the relocation was originally scheduled due to potential extreme wind conditions. Administrative costs also increased, and the project further delayed, due to complicated negotiations to resolve items with an adjacent property owner. Additional construction contingency may also be required to mitigate the impacts of those items noted above.

Staff recommends a budget transfer of \$280,000 in Measure S funds from the already completed Margarita Recreation Center Project, PW17-21 to PW17-28. From that budget transfer, staff recommends an increase in construction contingency of \$30,000 and an increase in the City Manager's authority to approve change orders for PW17-28 by the same amount.

FISCAL IMPACT: Sidewalks – Citywide Ynez Road (Rancho Highland Drive to Tierra Vista Road), PW17-28 is included in the City's Capital Improvement Program (CIP) Fiscal Years 2025-29, as part of PWSW-02, and is funded with Measure S and General Fund. A budget transfer of \$280,000 from the Margarita Recreation Center Project, PW17-21 to PW17-28 will fund the remaining costs to complete the project. Of said amount, \$30,000 will be used for additional contingency. With the additional \$30,000 in contingency for PW 17-28 the total encumbrance for the BW&W Company, Inc construction contract will be \$393,757.

ATTACHMENTS:

1. Project Description
2. Project Location Map