

REPORT TO CITY COUNCIL

DATE: JANUARY 25, 2006

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: JIM THORSEN, ASSISTANT CITY MANAGER

**SUBJECT: AWARD OF CONTRACT FOR U.S. 101/ KANAN ROAD INTERCHANGE
IMPROVEMENTS; NIB 05-02**

On August 24, 2005, City Council authorized staff to seek bids for the U.S. 101/ Kanan Road Interchange Project. In December of 2005, Caltrans gave their final authorization for the City to bid the project. A Notice Inviting Bids was then sent out to all contractor “plan” rooms and to potential bidders.

On January 18, 2006, sealed bids were opened from two contractors. The bids ranged from \$11,576,528.45 to \$16,983,999.80. The Engineer’s estimate was \$12,700,000, including contingency. The low bid was received from Security Paving Company, Inc., of Sun Valley. The bid was fully complete and in order. However, a mathematical error that does not affect the low-bidder status of this contractor was discovered during review of the bid and the correct bid amount is hereby revised to \$11,750,948.45. The bidder agrees with this change and we recommend that the City Council waive this relatively minor defect in the bid that did not give the bidder any additional advantage. A disadvantaged business enterprise (DBE) goal of 2% was established for this contract and the contractor has indicated that over 4% of the contract will be performed by DBE businesses. Security Paving has worked on many similar interchange projects for other local agencies and have completed all work satisfactorily. In addition, our construction management team (Parsons) has worked successfully with Security Paving on previous jobs.

The work to be performed by Security Paving includes the construction of 2 new loop ramps, retaining walls, bridge widening, traffic signals, pavement delineation, signs, electrical, and landscaping work. The contractor has indicated that this work will take 10 months to complete.

The total estimated cost of this construction project based on the low bid is as follows:

Construction Costs (Security Paving)	\$11,750,948.45
Contingency (10.6%)	\$1,249,051.55
TOTAL CONSTRUCTION PROJECT COST	\$13,000,000.00

In addition to the above construction costs, there is approximately \$4,250,000 in other ancillary project costs not included in this contract. These costs include construction management (Parsons), utility relocation/undergrounding, street light installation by Edison, final right-of-

way costs, attorney fees, engineering fees, public outreach, environmental monitoring, and other minor miscellaneous costs. Therefore, the total cost to complete all remaining construction plus all ancillary construction items is as follows:

U.S. 101 / Kanan Road Interchange project costs	\$13,000,000.00
Ancillary project costs	\$4,250,000.00
TOTAL REMAINING PROJECT COSTS	\$17,250,000.00

This project will be paid from the following funds:

Existing TIF funds, MTA funds, and council set aside funds	\$11,030,000.00
Remaining MTA funds	\$3,000,000.00
Federal TEA-LU funds	\$4,000,000.00
Federal Scenic Highway Funds	\$1,000,000.00
Federal STPL funds	\$500,000.00
Traffic Safety fund	\$500,000.00
TOTAL REVENUE AVAILABLE	\$20,030,000.00

This project will be constructed over a two-year budget cycle. In the current fiscal year, City Council has allocated \$5 million of funds toward the project. City staff is requesting authorization to increase this amount by an additional \$5 million in the event the contract costs and ancillary costs exceed the budgeted amount. All funds will be passed through the redevelopment agency fund. The remainder of funds would then be budgeted with FY 06-07.

It should be noted that the City has already spent a total of \$6,100,000 on design work, utility relocation/undergrounding, right-of-way acquisition and consulting fees. If all work is completed as budgeted, the total project costs to the City would be \$23.3 million.

The City Attorney has reviewed the contract documents for accuracy.

RECOMMENDATION

Staff respectfully recommends the City Council:

1. Waive minor defects in the lowest responsible bidder's bid and award the contract for the U.S. 101/ Kanan Road Interchange Improvements Project; NIB 05-02, to Security Paving Company, Inc., in the amount of \$11,750,948.45.
2. Authorize City staff to utilize up to \$1,249,051.55 in contingency funds for the project.
3. Authorize the transfer of up to \$5,000,000 in additional Transportation Improvement Funds to the Redevelopment Agency for project utilization.
4. Authorize the Mayor to sign and execute the contract on behalf of the City Council.
5. Authorize the City Attorney to sign and Approve as to Form the contract.
6. Direct the City Clerk to attest to the signatures.

