

REPORT TO CITY COUNCIL

DATE: AUGUST 24, 2005

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: KEN BERKMAN, CITY ENGINEER

SUBJECT: CONTRACT AWARD FOR THE 2005-2006 STREET RESURFACING PROJECT; NIB 05-04

On July 13, 2005, City Council authorized staff to seek bids for the 2005-2006 Street Resurfacing Project; NIB 05-04. At that time, and based upon the approved budget, the project was to consist of resurfacing 32 residential streets (over 9 lane-miles) with rubberized asphalt concrete (RAC). The streets for this annual project are selected based upon priorities determined by the latest Pavement Management System report. The project map from the July 13th Council meeting is attached for reference.

On August 11, 2005, the City Clerk opened sealed bids from four contractors. The bid results were as follows:

SILVIA CONSTRUCTION, Rancho Cucamonga	\$751,280.00
Excel Paving, Long Beach	\$958,989.00
Sully Miller, Anaheim	\$987,846.75
Nye and Nelson, Ventura	\$1,058,550.00

The apparent low bidder was Silvia Construction (Silvia). However, Silvia has notified City staff in writing of several mistakes in their bid, and requested relief of their bid per Public Contract Code Section 5103 (see attached letter). Staff consulted with the City Attorney, who has recommended staff permit relief of Silvia's bid obligation. Subsequently, staff reviewed the bid submittal of the next lowest bidder, Excel Paving Company (Excel), deemed their bid responsive and responsible, and confirmed that they will honor their bid. Excel is prepared to enter into a contract in accordance with their bid proposal. Staff has been very satisfied with Excel's performance on past projects.

In the 2005/2006 adopted budget, the City Council allocated \$800,000 of General Fund money and \$100,000 of Gas Tax money. In addition, staff has recently become aware that \$97,497 of Proposition 42 Local Street and Road Improvements Funds are available this fiscal year and are applicable to this project, for a total allocation of \$997,497. The City will receive quarterly payments of Proposition 42 funds this fiscal year starting in October.

The total estimated cost of this project based on Excel's bid is as follows:

Construction Costs	\$958,989.00
Construction Contingency (10%)	\$95,898.00
Material Testing	\$15,000.00
TOTAL PROJECT COST	\$1,069,887.00

Over the past year or so, construction bids have increased dramatically due to a shortage of material supplies coupled with the very high demand for work. For example, in this specific bid, the prices for asphalt concrete were about 25% higher than the recently completed Agoura Road Bike Lane project. While the entire project could have been completed at Silvia's bid cost, with Excel we are in a funding shortfall situation. As such, staff recommends Council authorize the City Engineer to negotiate with Excel to reduce the scope of work to fit into the approved budget. This would most likely be accomplished by postponing the paving of Via Amistosa, United Road, Calle Robleda and Vejar Drive to next fiscal year's project.

The project is expected to commence in late September and be completed early November.

RECOMMENDATION

Staff respectfully recommends the City Council:

1. Award the contract for the 2005-2006 Street Resurfacing Project, NIB 05-04 to Excel Paving Company in the amount of \$958,989.00;
2. Authorize the Mayor to sign the contract agreement;
3. Authorize the City Engineer to negotiate a reduction in the scope of work to fit into the available budget; and
4. Authorize the use of up to \$97,497 from the Proposition 42 Local Street and Road Improvements Fund for the project.

Attachments:

- Letter from Silvia Construction dated August 11, 2005
- Project Location Map