

REPORT TO CITY COUNCIL

DATE: JULY 28, 2009

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: RAMIRO S. ADEVA, CITY ENGINEER

SUBJECT: CONTRACT AWARD OF U.S. 101/REYES ADOBE INTERCHANGE IMPROVEMENTS PROJECT; NIB 07-07

On May 26, 2009, the City Council authorized staff to seek bids for the U.S. 101/Reyes Adobe Road Interchange Project; NIB 07-07. The scope of work consists of the expansion of the overcrossing from three lanes to six lanes, constructing sidewalks and bike lanes, installing decorative fence and lighting fixtures, construction of drainage, storm water quality improvements, traffic signal modifications, signing, striping, electrical, landscaping, and relocation of overhead utilities.

On July 21, 2009, the City received five (5) sealed bids for this project. The bid results were as follows:

Powell Construction	\$4,635,745.00
CA Rasmussen	\$4,649,273.00
Brutuco	\$5,398,277.50
Sema	\$5,791,250.00
Los Angeles Engineering	\$6,271,244.40

Staff reviewed the bid submittal of the apparent low bidder, Powell Construction, and deemed their bid responsive and acceptable. Staff also contacted Powell Construction's references and received positive feedback regarding their work. The company is based in Fontana, California.

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 \$4,636,384.50. 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.

Therefore, the estimated construction cost of this project is as follows:

Construction Costs (Powell Construction)	\$4,636,384.50
Contingency (16.8%)	\$ 780,000.00
TOTAL CONSTRUCTION PROJECT COST:	\$5,416,384.50

In addition to the above construction costs, there is approximately \$2,850,000 in other ancillary project costs not included in this contract. These costs include construction management

(Parsons), utility relocation, street light installation by Edison, 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 / Reyes Adobe Interchange project costs	\$5,416,384.50
Ancillary project costs	\$2,850,000.00
TOTAL REMAINING PROJECT COSTS:	\$8,266,384.50

This project will be paid from the following funds:

RDA (Redevelopment Agency)	\$ 100,000.00
Federal Grants	\$ 2,456,895.00
METRO – RSTIP	\$ 2,134,000.00
TIF	\$ 2,800,000.00
Bond Proceeds	\$ 2,600,000.00
Economic Stimulus	\$ 690,000.00
TOTAL REVENUE AVAILABLE:	\$10,780,895.00

Following the official award of the contract, Caltrans requires a 55-day time period to review and approve a Storm Water Pollution Prevention Plan (SWPPP). If Caltrans staff approves the plan prior to the 55-day allotment, construction can begin prior to the total 55-days expiring. With this in mind, construction is anticipated to begin no later than October 1, 2009, and will take approximately 12 to 18 months to complete.

The engineer’s estimate for construction was \$7.78 million. This original figure was based on expected unit costs back in the summer of 2008 when the plans were formally approved by Caltrans. Thus, the low bid of \$4.64 million comes as no surprise, given current day construction prices, and the fact the current contractor market has forced all bidders to be extremely competitive. This results in a savings of nearly \$3.14 million from what was originally estimated. Construction will be paid from a combination of Federal (National Corridor/Interstate Maintenance/Transportation, Community, and Systems Program) grant funds, Economic Stimulus allotted funds, MTA grant funds, TIF funds, Redevelopment Agency funds, and local matching funds.

RECOMMENDATION

Staff respectfully recommends the City Council:

1. Waive the minor defects in the lowest responsible bidder’s bid and award the contract for the U.S.101/Reyes Adobe Interchange Improvements Project, NIB 07-07, to Powell Construction in the amount of \$4,636,384.50;
2. Authorize staff to utilize up to \$780,000 in contingency funds for the project;
3. Authorize the Mayor to sign the contract agreement;
4. Authorize the City Attorney Approve as to Form and sign the contract; and
5. Direct the City Clerk to attest to the signatures.