



## CITY OF COMMERCE AGENDA REPORT

Item No. \_\_\_\_

**TO:** Honorable City Council

**FROM:** Interim City Administrator

**SUBJECT:** Award of Construction Contract and Construction Management Services for the Malt Avenue Street Racing Mitigation Improvement Project

**MEETING DATE:** August 19, 2017

---

### **RECOMMENDATION:**

Staff requests that the City Council, contingent on funding approval per the CIP budget by the City Council: (1) Award the construction contract to PALP, Inc. *dba* Excel Paving Company per its base bid only as the sole responsible bidder; *or* (2) Award the construction contract to PALP, Inc. *dba* Excel Paving Company per its base *and* additive bid(s) as the sole responsible bidder; (3) Authorize Transtech, Inc. to provide construction and project management services per its “on-call” services contract; and (4) Authorize a construction contingency of 15% for the Malt Avenue Street Racing Mitigation Improvement Project.

### **BACKGROUND:**

The Traffic Commission, on June 8, 2016, approved implementing mitigation measures through a “pilot program” on Malt Avenue, so as to discourage drivers from speeding on this street due to perceived street racing (i.e., drag racing) along Malt Avenue from Garfield Avenue to Telegraph Road.

On, March 1, 2016, the City Council authorized *Elie Farah, Inc. (EFI)*, a civil and traffic engineering consulting firm in Corona, California, to undertake and conduct a traffic study to investigate the advantages and disadvantages of implementing certain traffic control measures. *EFI* designed approved plans and specifications for the Malt Avenue traffic calming and street racing mitigation.

The City Council on May 2, 2017, approved the project plans and specifications for the Malt Avenue Street Racing Mitigation Improvement Project and directed staff to advertise for bids.

## ANALYSIS:

The bid opening was conducted on July 6, 2017, and the City Clerk opened and announced the bids in a public setting. There were a total of two (2) bids submitted. The bid results were as follows:

<b>Bidder (low to high):</b>	<b>Total BASE Bid Amount:</b>
1. E.C. Construction, Inc.	\$49,152
2. PALP, Inc. <i>dba</i> Excel Paving Company	\$91,965

<b>Bidder (low to high):</b>	<b>Total Additive Alternative #1 Amount:</b>
1. E.C. Construction, Inc.	\$16,300
2. PALP, Inc. <i>dba</i> Excel Paving Company	\$3,575

<b>Bidder (low to high):</b>	<b>Total Additive Alternative #2 Amount:</b>
1. E.C. Construction, Inc.	\$17,000
2. PALP, Inc. <i>dba</i> Excel Paving Company	\$11,000

<b>Bidder (low to high):</b>	<b>Grand Total = Base + #1 + #2 Amount:</b>
1. E.C. Construction, Inc.	\$82,452
2. PALP, Inc. <i>dba</i> Excel Paving Company	\$106,540

Based on the bid results, E.C. Construction, Inc. is the lower bidder for the total base bid amount (\$49,152) and for the grand total amount that includes both additive alternatives #1 and #2 (\$82,452).

However, upon careful investigation by staff, it was discovered that E.C. Construction's bid had errors and omissions; specifically, it did not officially acknowledge the receipt of the bid addendum that was submitted to all bidders, and E.C. Construction failed to complete the amended bid schedule that was part of the bid addendum. Consequently, staff determined and concluded that E.C. Construction's bid was "unresponsive" and therefore, rejected.

The City Council may elect to award the construction contract to the second low bidder, PALP, Inc. *dba* Excel Paving Company (Excel Paving) per its base bid of \$91,965, since staff determined that its bid was "responsive." A bid analysis conducted by staff included a review of Excel Paving's license, insurance, bonds, and references, and Excel Paving has demonstrated to staff's satisfaction that it is a responsible bidder.

The City Council may also elect to award to Excel Paving per its base bid, along with either additive alternative #1 or #2 (or both). In any event, any of the aforementioned options require a transfer of funds as stipulated below.

Per the mid-year Capital Improvement Program (CIP) budget approved by City Council on December 20, 2016, a funding request of only \$60,000 was approved for this project, which is insufficient to fund either the base bid or any of the additive alternatives.

Additional funds are required and need to be allocated if alternative #1 or #2 (or both) are selected. The base bid involves the basic installation of speed humps or speed cushions along Malt Avenue. Alternative #1 involves supplemental signing and striping, whereas Alternative #2 is to restripe Malt Avenue. Further details are explained in the “Fiscal Impact” section of this staff report.

Furthermore, it is recommended that the City authorize Transtech, Inc. in the amount of \$9,750 to provide construction and project management, inspections, and overall project administration per its “on-call” services contract. On July 2017, staff submitted a Request for Proposals (RFP’s) to the list of “on-call” consultants, and Transtech, Inc. was the only firm that responded with a proposal.

#### **ALTERNATIVES:**

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

#### **FISCAL IMPACT:**

During its regularly scheduled meeting on December 20, 2016, the City Council approved the 2016-17 Mid-Year Capital Improvement Program (CIP) budget in which the Implementation of the Street Racing Pilot Program was allocated \$60,000:

<b>Project Name (2016-17 Mid-Year CIP Budget)</b>	<b>Funding Request</b>
1. Rosewood Neighborhood Connectivity Project	\$245,000
2. Commerce Way & Sheila St. Connectivity Beautification Project Design	\$30,000
3. Garfield Avenue Pavement Rehab Design	\$50,000
<b>4. Implementation of the Street Racing Pilot Program (Malt Ave.)</b>	<b>\$60,000</b>
5. Feasibility Studies for Transportation Impact Fee Funded Projects	\$50,000
<b>TOTAL</b>	<b>\$435,000</b>

Funding is insufficient to cover the base bid option or any of the additive alternatives for this project. The sole responsible bidder, Excel Paving, submitted its base bid of \$91,965, and both additional alternatives totaling \$14,575. The allocated project funding of \$60,000 is inadequate to cover both the construction cost and also the construction management services rendered by Transtech.

Therefore, the City will need to authorize additional funds to cover the cost for this project. An additional \$32,000 is required to supplement the cost for the base bid portion of this project. For additive alternative #1, an additional \$3,575 is required, whereas an additional \$11,000 is needed for additive alternative #2. For both alternatives, an additional \$14,575 will be required. A summary of the cost options is shown in the chart below, which also includes the 15% contingency:

<b>A. Option 1 ~ Base Bid Only:</b>	<b>Total Additional Amount Required:</b>
1. Base Bid	\$32,000
<i>Contingency (15%):</i>	<i>\$4,800</i>
<b>Grand Total:</b>	<b>\$36,800</b>

<b>B. Options 1 and 2 Only:</b>	<b>Total Additional Amount Required:</b>
1. Base Bid	\$32,000
2. Additive Alternative #1	\$3,575
<i>Sub-total for Options 1 and 2 Only:</i>	<i>\$35,575</i>
<i>Contingency (15%):</i>	<i>\$5,336</i>
<b>Grand Total:</b>	<b>\$40,911</b>

<b>C. Options:</b>	<b>Total Additional Amount Required:</b>
1. Base Bid	\$32,000
2. Additive Alternative #1	\$3,575
3. Additive Alternative #2	\$11,000
<i>Sub-total for All 3 Options:</i>	<i>\$46,575</i>
<i>Contingency (15%):</i>	<i>\$6,986</i>
<b>Grand Total:</b>	<b>\$53,561</b>

The City Council may select any of the above three (3) options (A, B, or C) when awarding the construction contract to Excel Paving. Any of these options do require supplemental funding pending the approval of the CIP budget.

#### **RELATIONSHIP TO STRATEGIC GOALS:**

This item is related to a specific 2016 Strategic Goal to “develop and implement a sustainable CIP Program to ensure the quality of existing infrastructure and support future plans for the City and develop and invest in infrastructure and beautification projects that support economic growth.”

#### **ATTACHMENTS:**

1. Resolution
2. Bidder's Proposal (E.C. Construction, Inc.)
3. Bidder's Proposal (PALP, Inc. dba Excel Paving Co.)

Recommended by: Maryam Babaki, Director of Public Works & Development Services

Reviewed by: Vilko Domic, Finance Director

Approved as to form: Eduardo Olivo, City Attorney

Respectfully submitted by: Matthew C. Rodríguez, Interim City Administrator