



CITY OF COMMERCE AGENDA REPORT

Item No.: _____

TO: Honorable City Council

FROM: City Manager

SUBJECT: A Resolution Which Authorizes Award of Construction Contract, Construction Management and Inspection, and Geotechnical Investigation and Material Testing Contracts for the FY 2018-19 Pavement Rehabilitation Project

MEETING DATE: August 20, 2019

RECOMMENDATION:

Approve the Resolution which authorizes award of construction contract, construction management and inspection, and geotechnical investigation and material testing contracts for the construction of the FY 2018-19 Pavement Rehabilitation Project as follows:

1. Approve a construction contract with Sialic Contractors Corporation dba Shawnan, the lowest responsible bidder, for the FY 2018-19 Pavement Rehabilitation Project, in the amount of \$3,545,666 for the following work:
 - a. \$2,172,480 for Base Bid Schedule (Garfield Avenue from Gage Avenue to Telegraph Road, and Triggs Street from Eastern Avenue to Atlantic Boulevard).
 - b. \$631,490 for Additive Alternative Bid Schedule A (Gage Avenue from Greenwood Avenue to Slauson Avenue).
 - c. \$213,370 for Additive Alternative Bid Schedule B (Greenwood Avenue from Gage Avenue to Slauson Avenue).
 - d. \$275,000 for limited and temporary rehab work/asphalt repairs at selected areas on Sheila Street for Additive Alternative Bid Schedule C.
 - e. \$253,326 as change order per Cost Proposal received from the Contractor as additional work for pavement rehabilitation on Goodrich Boulevard from Whittier Boulevard to Grace Place.

2. Authorize Transtech Engineers, Inc. to proceed with Construction Management and Inspection Services, in the amount of 8.7% of total Construction Cost (\$308,473), pursuant to their existing on-call agreement for consultant services.
3. Authorize Geo-Advantec, Inc. to proceed with Geotechnical Investigation and Material Testing Services in an amount of in the amount of 1.3% of total Construction Cost (\$46,049), pursuant to their existing agreement for consultant services.
4. Authorize construction contingency in the amount of \$390,023 (10%) for unforeseen conditions for any aforementioned costs.

BACKGROUND:

The selected streets are based on the recommendations identified within the City's Pavement Management System (PMS). Streets that are recommended to be included in the 2018/19 pavement rehabilitation include:

1. Garfield Avenue from Telegraph Road to Gage Avenue; and Triggs Street from Eastern Avenue to Atlantic Blvd (Base Bid Work)
2. Gage Avenue from south of Slauson Avenue to Greenwood Avenue (Additive Alternative A Work)
3. Greenwood Avenue from Gage Avenue to Slauson Avenue (Additive Alternative B Work)
4. Sheila Street from East End to West End (Additive Alternative C Work)

On May 7, 2019, the City Council approved the plans and specifications for the FY 2018-19 Pavement Rehabilitation Project, and authorized staff to advertise the project for bids per the above Base Bid and Additive Bid Alternatives.

The above approach provided the most cost effective approach as the bidders bid their costs based on larger quantities, thus resulting lower unit bid prices as a result of economy of scale, but also maximum flexibility to the City to select final work areas based on bids received and budget availability.

ANALYSIS:

The construction portion of the project was advertised on May 15, 2019. The following four (4) bids were received by the City at the Bid Opening held on May 30, 2019:

STREETS TO BE REHABILITATED	BID RANKING			
	Low Bidder	Second Low Bid	Third Low Bid	Fourth Low Bid
	Sialic Contractors Corporation dba Shawnan	All American Asphalt	Excel Paving Company	Sully Miller Contracting Company
Garfield Avenue from Telegraph Road to Gage Avenue; and Triggs Street from Eastern Avenue to Atlantic Blvd (Base Bid Work)	\$2,172,480.00	\$2,364,988.00	\$2,678,870.00	\$2,767,700.00
Gage Avenue from south of Slauson Avenue to Greenwood Avenue (Additive Alternative A Work)	\$631,490.00	\$659,940.00	\$789,000.00	\$741,150.00
Greenwood Avenue from Gage Avenue to Slauson Avenue (Additive Alternative B Work)	\$213,370.00	\$261,315.00	\$359,600.00	\$314,265.00
Sheila Street from East End to West End (Additive Alternative C Work)	\$1,879,850.00	\$2,324,805.00	\$2,399,900.00	\$2,736,150.00

As required by the California Public Contract Code, staff specified in the Bid Specifications that the lowest bid would be selected based on the Base Bid Work Amount.

As shown in the above bid Tabulation, Sialic Contractors Corporation dba Shawnan submitted the lowest bid amount for the Base Bid Work, as well as for all Additive Alternatives Work.

Staff conducted a bid analysis and verified CA contractor's licensing, Department of Industrial Relations (DIR) registration, state and federal debarment files, and references for Sialic Contractors Corporation dba Shawnan. Based on the bid analysis, Sialic Contractors Corporation dba Shawnan was found to be the lowest responsible bid. The bid analysis completed by staff is attached as reference.

Because of lower bids received, the City can perform rehabilitation on the majority of the street. Staff is recommending the following for City Council's consideration and final decision:

Award Base Bid Work plus Additive Alternatives A, and B fully, plus \$275,000 budget for limited and temporary rehab work on selected areas for Additive Alternative C Work, plus cost proposal received from the contractor as additional work for pavement rehabilitation on Goodrich Boulevard from Whittier Boulevard to Grace Place

Table below shows the project budget breakdown. **Total Budget \$4,290,256**

ITEM		BUDGET
BASE BID SCHEDULE (GARFIELD AVENUE FROM GAGE AVENUE TO TELEGRAPH ROAD, AND TRIGGS STREET FROM EASTERN AVENUE TO ATLANTIC BOULEVARD)		\$2,172,480
ADDITIVE ALTERNATIVE BID SCHEDULE A (GAGE AVENUE FROM GREENWOOD AVENUE TO SLAUSON AVENUE)		\$631,490
ADDITIVE ALTERNATIVE BID SCHEDULE B (GREENWOOD AVENUE FROM GAGE AVENUE TO SLAUSON AVENUE)		\$213,370
CONSTRUCTION ALLOWANCE IN THE AMOUNT OF \$275,000 FOR ASPHALT REPAIRS ON SHEILA STREET FOR ADDITIVE ALTERNATIVE BID SCHEDULE C (SHEILA STREET FROM EAST END TO WEST END)		\$275,000
ADDITIONAL COST AS CHANGE ORDER TO THE CONTRACT IN THE AMOUNT OF \$253,326 PER COST PROPOSAL RECEIVED FROM THE CONTRACTOR AS ADDITIONAL WORK FOR PAVEMENT REHABILITATION ON GOODRICH BOULEVARD FROM WHITTIER BOULEVARD TO GRACE PLACE		\$253,326
SUBTOTAL OF ABOVE CONSTRUCTION ITEMS		\$3,545,666
SOFT COST - CONSTRUCTION MANAGEMENT, CONSTRUCTION INSPECTION BUDGET	8.70%	\$308,473
SOFT COST - MATERIALS TESTING AND INSPECTION BUDGET	1.30%	\$46,094
SUBTOTAL ALL COSTS		\$3,900,233
PROJECT CONSTRUCTION PHASE CONTINGENCY	10.00%	\$390,023
PROJECT TOTAL BUDGET		\$4,290,256

The above tables provides breakdown for hard construction costs and soft costs. The hard construction costs are in the lower range of current industry averages and previous bids received by the City. The soft costs are generally in the range of 12% to 15% of hard construction costs. However, due to City's pre-established list and prices, the City is averaging approximately 10% for soft costs, which is approximately 25% lower than industry ranges.

ALTERNATIVES:

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

FISCAL IMPACT:

The City Council approved an allocation of **\$4.3 million** towards the aforementioned project at the August 5th council meeting. In addition, the Measure AA Committee approved said funding on July 9, 2019.

RELATIONSHIP TO STRATEGIC GOALS:

The issue before the Council is applicable to the following Council's strategic goal:
"Improve and maintain infrastructure and beautify our community"

Recommended by: Vilko Domic, Director of Finance

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted by: Edgar P. Cisneros, City Manager

ATTACHMENTS:

1. Resolution
2. Contract
3. Bid Analysis
4. Scope of Work-Transtech
5. Scope of Work-Geo-Advantec