



CITY OF COMMERCE AGENDA REPORT

Item No.: _____

TO: Honorable City Council

FROM: City Manager

SUBJECT: Award a Construction Contract for the Traffic Interconnect System Upgrades Project – HSIPL-5362(023) (CIP NO. 2015-41)

MEETING DATE: August 4, 2020

RECOMMENDATION:

The City Council will consider for adoption a Resolution awarding and authorizing the following for the Traffic Interconnect System Upgrades Project - HSIPL-5362(023) (City of Commerce CIP No. 201-41):

1. Approve a construction contract between the City of Commerce and Elecnor Belco Electric, Inc., the lowest responsible bidder, for the Traffic Interconnect System Upgrades Project, in the amount of \$1,257,818, in substantially the same form as attached, subject to final, technical revisions as required and as approved by the City Attorney; and
2. Authorize Transtech Engineers, Inc. to proceed with Construction Management and Inspection Services, in the amount of \$125,781 (10% of construction cost), pursuant to their existing on-call agreement for consultant services; and
3. Authorize construction contingency in the amount of \$138,359.90 (10%) for unforeseen conditions and related costs; and
4. Approve a budget appropriation of \$482,758.90 to account number 41-5170-52001.14650.

BACKGROUND:

Caltrans announced the Cycle 7 Call for Projects for the Highway Safety Improvement Program (HSIP) in April 2015. This Call for Projects was targeted for approximately \$150 million in federal HSIP funds. For Cycle 7, the maximum reimbursement amount for any single project is \$10 Million, with a minimum of \$100,000. The maximum an agency can receive is \$10 Million. The maximum reimbursement ratio is ninety percent (90%). The purpose of the HSIP program is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads

and tribal lands.

The City submitted a grant application, which focused on improving traffic signal interconnectivity along Eastern Avenue, Telegraph Road, Slauson Avenue, Atlantic Boulevard, and Garfield Avenue and received approval for \$935,280 in grant funds as part of the program with a required 10% local match of \$103,920.

On February 18, 2020, the City Council approved the plans and specifications for the Traffic Interconnect System Upgrades Project, and authorized staff to advertise the project for bids.

ANALYSIS:

The construction portion of the project was advertised on March 25, 2020. The following five (5) bids were received by the City at the Bid Opening held on May 07, 2020:

Bidder Name (from low to high)	Bid Amount
1. Elecnor Belco Electric, Inc.	\$1,257,818.00
2. California Professional Engineering, Inc.	\$1,269,110.00
3. Siemens Mobility, Inc.	\$1,289,080.00
4. International Line Builder's Inc.	\$1,340,807.00
5. Alfaro Communications Construction, Inc.	\$1,652,700.00

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, Elecnor Belco Electric, Inc. submitted the lowest bid amount.

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 Elecnor Belco Electric, Inc. Based on the analysis, Elecnor Belco Electric, Inc. was found to be the lowest responsible bid. The analysis completed by staff is attached as reference.

Staff is recommending the following for City Council's consideration and final decision:

Bid Amount to be Awarded	\$1,257,818.00
Construction Management, Construction Inspection to be Awarded (10%)	\$125,781.00
Subtotal	\$1,383,599.00
Project Construction Phase Contingency (10%)	\$138,359.90
Total Project Construction Budget	\$1,521,958.90

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove staff recommendation

3. Provide further direction to staff

FISCAL IMPACT:

City of Commerce is the recipient of HSIP Cycle 7 Grant funds which authorizes the City to be reimbursed for \$935,280 (90%) of the project construction costs with a City match in the amount of \$103,920 (10%). It is important to note, the grant funds only cover construction related expenses.

On July 5, 2016, City Council has approved funding in the amount of \$281,120 for engineering design Measure AA funds. This amount was appropriated in account number 41-5170-52001.14650. The contract award for engineering design, which is outside of the grant award was \$177,200. The balance of the appropriation on July 5, 2016 once design costs were paid was \$103,920 which was intended to cover the local match required by the grant.

On February 18, 2020, the City Council authorized the appropriation of the remaining grant amount of \$935,280 (90%), giving a total construction budget of \$1,039,200 prior to releasing the Notice of Inviting Bid (NIB).

As result of the NIB, the total construction project budget including construction contract, soft costs and contingencies is \$1,521,958.90 which was higher than the estimate when the grant was initially submitted. As part of the construction contract award submittal coordination to Caltrans, staff will request additional funds from Caltrans for full construction costs. This coordination is subject to Caltrans approval and available federal funds, but staff feels confident is receiving additional funding. However, total amount is unknown at this time.

Based on the total construction amount provided above and the current budget, additional funding of \$482,758.90 is required to cover the remaining project costs. Staff recommends that the City Council authorize additional funds in the amount of \$482,758.90 to account number 41-5170-52001.14650. A table is provided below to show the breakdown of the \$482,785.90 requested appropriation.

Appropriated Funds on 7/5/15	\$ 281,120.00
Less Design Costs	\$ 177,200.00
Balance of Initial Appropriation	\$ 103,920.00
 Total Construction Budget	 \$ 1,521,958.90
 Balance of Initial Appropriation	 \$ 103,920.00
Appropriated Funds on 2/18/20	\$ 935,280.00
Total Current Project Budget as of 7/28/20 ¹	\$ 1,039,200.00
 Total Construction Budget	 \$ 1,521,958.90
Less Current Project Budget	\$ 1,039,200.00
Needed Appropriation Amount	\$ 482,758.90
 <u>Notes</u>	
1. Includes local match of \$103,920 as required by HSIP grant	

The following table breaks down total project costs and the funding split between the grant amount and the City's Measure AA contribution.

Design Total	\$ 177,200.00
Construction Total	\$ 1,521,958.90
Total Project Costs	\$ 1,699,158.90
 HSIP Grant Total	 \$ 935,280.00
City of Commerce Contribution from Measure AA	\$ 763,878.90
Total Project Costs	\$ 1,699,158.90

RELATIONSHIP TO STRATEGIC GOALS:

This item relates to City Council's 2016 Strategic Action Plan:

Infrastructure and Facilities

Guiding Principle 2, Develop and implement a sustainable Capital Improvement Program to ensure the quality of the existing infrastructure and to support future plans for the city.

Recommended by: Daniel Hernandez, Director of Public Works
Reviewed by: Vilko Domic, Assistant City Manager
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted by: Edgar P. Cisneros, City Manager

ATTACHMENTS:

1. Resolution
2. Draft Construction Contract
3. Bid Analysis