



CITY OF COMMERCE AGENDA REPORT

Item No.: _____

TO: Honorable City Council

FROM: City Manager

SUBJECT: REJECTION OF BIDS FOR COMMERCE WAY IMPROVEMENT PROJECT FROM EASTERN AVENUE TO WASHINGTON BOULEVARD (PUBLIC WORKS PROJECT NO. 2019-04) AND CANCELING PROJECT

MEETING DATE: September 15, 2020

RECOMMENDATION:

The City Council will consider rejecting all bids received for the Commerce Way Improvement Project from Eastern Avenue To Washington Boulevard and canceling the project.

BACKGROUND:

Contract documents and 100% Plans, Specifications and Estimate were finalized in November 2019 and a request for authorization to proceed with construction package (E-76 request) was submitted to Caltrans in December 2019. Caltrans approved the E-76 request in February 2020. The Engineer's cost estimate for this project is approximately \$1,750,000.

On February 2, 2016, the City Council adopted a resolution approving on-call professional services agreements and established an eligibility list for various on-call professional services that include JMDiaz. Staff received a proposal from JMDiaz that was deemed acceptable. On March 28, 2017, the City Council authorized JMDiaz to proceed with civil engineering street rehabilitation design services.

On June 21, 2016, the City Council adopted the Fiscal Year (FY) 2016-17 CIP under Resolution No. 16-84 that included the Project (*see Attachment 1*). Contract documents and 100% Plans, Specifications and Estimate were finalized in February 2019. Engineer's cost estimate for this project is approximately \$1,413,176.

The project limits are Commerce Way from Eastern Avenue to North of Sheila Street including the intersection of Commerce Way and Sheila Street.

Sheila/Commerce Way Intersection

- Pavement Rehab on Commerce Way between Sheila and Eastern, including RR track removal and pavement rehab (east of Eastern).
- The proposed project will reconfigure the intersection to a more conventional four-way stop to allow for better traffic flow, drainage, and increased safety for pedestrians and vehicles.
- The proposed project closes an existing driveway and provides a bulb out to better align the intersection.
- Impacts of closing the driveway and reconfiguration need to be discussed with property owners; other alternatives can be explored.

Eastern/Commerce Way Intersection and RR Tracks

- Pavement Rehab on Commerce Way between Sheila and Eastern, including RR track removal and pavement rehab (east of Eastern).
- Currently there are two LT lanes on Commerce Way to Eastern, the proposed project removes one of the LT lanes to allow for better turning radius. Commerce Way in this area is used heavily by trucks.
- Traffic Study will be needed to assess impact of removing one turning lane.

ANALYSIS:

Due to Covid-19 impacts and lack of funding, the City is prioritizing available funds to priority projects, and therefore staff is recommending rejection of all bids and cancelling this project at this time.

The construction portion of the project was advertised on May 19, 2020. The following four (4) bids were received by the City at the Bid Opening held on May 19, 2020 at 11:00 AM:

Bidder	Bid Amount
Shawnan	\$1,512,191.00
Excel Paving	\$1,627,748.50
Sully-Miller	\$1,643,000.00
LA Engineering	\$1,817,578.42

The City received DEMO funds from Caltrans in the amount of \$490,000 to use in this project. The City will be required to provide the remaining funds on this project as local match amount.

The construction budget is anticipated as follows:

Construction Base Bid Amount	\$1,512,191.00
Construction Contingency (10%)	\$151,219.10
Hard Construction Budget	\$1,663,410.10
Soft Cost – Construction Management, Inspection,	\$166,341.00

Materials Testing (10% budget)	
Total Construction Budget	\$1,829,751.10

The City would be required to provide local match funds in the amount of \$1,339,751.10 after receiving Caltrans DEMO funds in the amount of \$490,000 for the total established construction budget in the amount of \$1,829,751.10.

As stated above, due to Covid-19 impacts and lack of funding, staff believes the \$1,339,751.10 can be reallocated to future projects which will have a greater impact on the community as a whole.

ALTERNATIVES:

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

FISCAL IMPACT:

There is no adverse fiscal impact. City of Commerce is the recipient of Caltrans DEMO funds, which authorizes the City to be reimbursed for \$490,000 of the project costs. Remaining \$1,339,751.10 would have been required as local matching funds. The funds will be returned to the Measure AA account and requested for upcoming Capital Improvement Projects.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to the 2016 Strategic Plan:

Infrastructure and Facilities

Guiding Principle #4: Develop and invest in infrastructure and beautification projects that support economic growth.

Recommended by:	Daniel Hernandez, Director of Public Works
Fiscal Impact reviewed by:	Josh Brooks, Acting Finance Director
Approved as to form:	Noel Tapia, City Attorney
Respectfully submitted by:	Edgar P. Cisneros, City Manager