



CITY COUNCIL AGENDA STATEMENT



June 18, 2019

File ID: **19-0167**

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; AWARDING THE CONTRACT FOR THE "THIRD AVENUE STREETScape IMPROVEMENT PROJECT PHASE III (STL0406)" PROJECT TO TRI-GROUP CONSTRUCTION AND DEVELOPMENT, INC., IN THE AMOUNT OF \$3,127,680; TRANSFERRING \$110,000 IN TRANSNET APPROPRIATIONS FROM STM0398 TO STL0406; AND APPROPRIATING \$2,500,000 IN TRANSNET SMART GROWTH INCENTIVE PROGRAM (SGIP) GRANT FUNDS (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On May 15, 2019, the Director of Engineering and Capital Projects received four (4) sealed bids for the "Third Avenue Streetscape Improvement Project Phase III (STL0406)" project. The project is included in the Capital Improvement Program for Fiscal Year 2018/2019. The proposed resolution, if approved, would 1) accept bids; 2) transfer \$110,000 in TransNet from STM0398 to STL0406; 3) appropriate \$2,500,000 in TransNet SGIP funds; and 4) award the contract for this project to Tri-Group Construction and Development, Inc. in the amount of \$3,127,680.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project was adequately covered in previously adopted/certified Final Environmental Impact Report for the Chula Vista Urban Core Specific Plan (UCSP), Final Environmental Impact Report-06-01 ("FEIR-06-01"). Pursuant to the California Environmental Quality Act (CEQA) on April 26, 2007 the City, acting as Lead Agency, certified FEIR-06-01 for the UCSP. On January 25, 2011 the City, acting as Lead Agency, having found and determined that certain amendments to the UCSP, including the referenced Third Avenue Streetscape improvements, would not result in significant unmitigated impacts and that only minor technical changes or additions to FEIR-06-01 were necessary and that none of the conditions described in Section 15162 of the State CEQA Guidelines calling for the preparation of a subsequent environmental document had occurred, adopted an Addendum to FEIR-06-01. Therefore, no further CEQA actions or determinations are necessary.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Bidding Process

On April 12, 2019, Department of Engineering and Capital Projects Staff advertised the project and received four (4) sealed bids on May 15, 2019. The base bid totals from the prime contractors were as follows:

<u>Ranking</u>	<u>Contractor</u>	<u>Base Bid Amount</u>
1	Tri-Group Construction and Development, Inc.	\$3,127,680.00*
2	Palm Engineering and Construction Company, Inc.	\$3,449,240.60*
3	3-D Enterprises, Inc.	\$3,473,575.00*
4	LB Civil Construction, Inc.	\$4,190,519.20*

*Contained minor errors that did not change overall bid ranking.

City Staff reviewed the apparent low bid proposal and found minor arithmetic errors that changed their base bid total from \$3,166,880 to \$3,127,680. The minor arithmetic errors did not change the ranking order of the low bid. In accordance with the bid documents, the City Engineer exercised his discretion to correct these errors as they did not change the ranking order of the low bid. Tri-Group Construction and Development, Inc. submitted a letter acknowledging the arithmetic errors and acknowledges and agrees to the corrected base bid total price of \$3,127,680 (Attachment 1).

The low bid by Tri-Group Construction and Development, Inc. in the amount of \$3,127,680 is \$225,777 (approximately 6.7%) below the Engineer's estimate of \$3,350,000.

Tri-Group Construction and Development, Inc.'s Contractor License (No. 792159), as well as listed sub-contractor's licenses, are current and active as of May 2019. Staff recommends awarding a contract in the amount of \$3,127,680 to Tri-Group Construction and Development, Inc.

Project Background

The project consists of improvements on Third Avenue from "E" Street to north of "F" Street and will complete the third and final phase of the Third Avenue Streetscape Improvement Plan. The project will continue with similar enhancements provided on previous phases throughout the corridor such as a safer corridor for pedestrians, motorists, and cyclists to access by implementing shorter pedestrian crossings, more open sidewalks, larger landscape areas, directional signs, and crosswalks with decorative pavers.

Additionally, included is the relocation of two tree sculptures (Chromasol and Chromatosol) located on Third Avenue within the project limits. The tree sculptures are proposed to be relocated outside the Civic Center library (Attachment 2). Currently, the Third Avenue Village Association (TAVA) maintains the tree sculptures and has agreed to the relocation. An agreement between stakeholder parties will formally transfer ownership to the City of Chula Vista.

Disclosure Statement

Attachment 3 is a copy of the Contractor’s Disclosure Statement.

Wage Statement

The contractor that is awarded the contract and all of its subcontractors are required to pay prevailing wages to persons employed by them for work under the project contract. The prevailing wage scales are those determined by the Director of Industrial Relations, State of California.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found that, Mayor Mary Casillas Salas has real property holdings within 500 feet of the boundaries of the property which is the subject of this action. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(7), this item presents a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, et seq.) for the above-identified member.

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The project supports the Economic Vitality and Healthy community goals as it seeks to complete the revitalization of the Third Avenue Village area, which will attract and boost business by providing enhanced and safer pedestrian corridors. These same pedestrian focused improvements will also promote a safe and appealing location, in line with the Strong and Secure Neighborhoods goal, where people will choose to shop, work play and stay.

CURRENT-YEAR FISCAL IMPACT

Approval of this resolution will transfer \$110,000 in TransNet from STM0398 to STL0406 and appropriate \$2,500,000 TransNet SGIP funds into the project and initiate the construction phase of STL0406. Sufficient funds are available in STM0398 for said transfer.

<u>Funds Required for Construction</u>	
A. Contract Amount	\$3,127,680
B. Contract Contingency (16%)	\$520,000
C. Water Facilities Relocation Costs (9.7%)	\$305,000
D. Design & Survey Support Costs (5.4%)	\$170,000
E. Soil Testing, Environmental Studies (2%)	\$60,000
F. Construction Inspection Staff Cost (14%)	\$450,320
Total Funds Required for Construction	\$4,633,000

<u>Available Funding</u>	
A. Transfer Funds (TransNet) from STM0398 to STL0406	\$110,000
B. Project Budget (STL0406)	\$2,023,000
C. TransNet Smart Growth Incentive Program	\$2,500,000
<u>Total Funds Available for Construction</u>	\$4,633,000

ONGOING FISCAL IMPACT

Upon completion of the project, the improvements will require only routine City street maintenance.

ATTACHMENTS

1. Bid Error Acknowledgement Letter
2. Tree Sculpture Relocations
3. Disclosure Statement

Staff Contact: José Serrato, Associate Civil Engineer