



CITY COUNCIL AGENDA STATEMENT



April 16, 2019

File ID: 18-0275

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; AWARDING THE CONTRACT FOR THE ADVERTISEMENT OF THE "STREET PAVEMENT REHAB PHASE II - MEASURE P (CIP# STL0430)" PROJECT TO EAGLE PAVING COMPANY, INC. DBA TORO ENGINEERING IN THE AMOUNT OF \$8,977,371.26; AMENDING THE INFRASTRUCTURE, FACILITIES, AND EQUIPMENT EXPENDITURE PLAN; AND MAKING VARIOUS AMENDMENTS TO THE FY2018/19 OPERATING AND CIP PROGRAM BUDGETS AND APPROPRIATING FUNDS THEREFOR (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On March 6, 2019, the Director of Engineering and Capital Projects received six (6) sealed bids for the advertisement of the "Street Pavement Rehab Phase II - Measure P (CIP# STL0430)" project. The project consists of routine rehabilitation of failed asphalt for the street segments shown in Attachment 1 and Attachment 2.

On November 8, 2016, Chula Vista voters approved Measure P, authorizing a one-half cent sales tax increase on retail sales within the City for a period of ten (10) years to repair failed or failing assets throughout the city. Staff recommends (1) awarding the contract to Eagle Paving Company, Inc. dba Toro Engineering, (2) amending the Infrastructure, Facilities, and Equipment Expenditure Plan, and (3) making various amendments to the FY 2018/19 Capital Improvement Program (CIP) and appropriations needed to fund and award the project.

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 qualifies for a Class 1 Categorical Exemption pursuant to Section 15301(c) (Existing Facilities) of the State CEQA Guidelines. Thus, no further environmental review is necessary.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

At the Citizens' Oversight Committee (COC) meeting held on February 11, 2019, City staff presented the amended Infrastructure, Facilities and Equipment Expenditure Plan, which reflected year-to-date allocations. The COC reviewed the amended plan, the proposed allocations, and recommended it be taken

to the City Council for approval.

DISCUSSION

On November 8, 2016, Chula Vista voters approved Measure P, authorizing a temporary sales tax increase within the City to fund projects focused on repairing failing infrastructure. A portion of the sales tax revenues generated are being allocated to address failing residential pavement infrastructure assets by re-paving, re-surfacing, and repairing neighborhood streets.

The City of Chula Vista utilizes the Streetsaver Pavement Management System to establish a Pavement Condition Index (PCI) score between 0 and 100 for each street segment in the City. The PCI score represents the general condition of the pavement, with 0 being the worst “failed” condition and 100 being the “new” condition. The PCI score was utilized to identify failed (PCI-25) and failing (PCI 25-40) street segments that could be addressed using Measure P funding.

On January 23, 2018, City Council passed Resolution No. 2018-014 to award CIP #STL0427, which was the first phase of the pavement rehabilitation project and included street segments with PCI scores ranging from 0 to 15. CIP #STL0430 is the second phase and it includes street segments with PCI scores from 0 to 34. During the design phase, Streetsaver projections confirmed that the overall City average PCI would reach and maintain higher scores if all eligible streets were rehabilitated now instead of over the 10 year timeframe for Measure P funding. City staff presented a proposal to the COC that would allow inclusion of all of the remaining street segments in CIP STL0430. The proposal revised the funding plan to use currently available bond funds from other categories and, replenish those categories with the future funds that would have gone towards the pavement category. The overall 10 year funding level originally established for pavement projects did not increase.

CIP STL0430 was developed with a base bid of street segments up to a PCI of 34 and an additive list of street segments up to a PCI of 40. This is done to allow the addition of street segments when the low bid is below the Engineers Estimate. A Contract Change Order would be processed to add the street segments to the contract using the available appropriated funds.

The CIP STL0430 project was advertised on January 25, 2019. The Director of Engineering and Capital projects received and opened six (6) base bids for the project on March 6, 2019, as follows (listed in numerical order of bid total amount):

RANKING	CONTRACTOR	BID AMOUNT
1	Eagle Paving Company Inc. dba Toro Engineering	\$8,977,371.26
2	Ramona Paving & Construction Corp.	\$11,213,082.69
3	SRM Contracting and Paving	\$11,829,997.84
4	Hazard Construction Company	\$12,493,956.44
5	ATP General Engineering Contractors, LLC	\$14,875,504.32
6	Hardy & Harper, Inc	\$16,325,297.54

During Staff’s review of the bid proposals received, a minor computational error was discovered that resulted in an administrative adjustment in accordance with the bid specifications to Eagle Paving Company, Inc. dba Toro Engineering’s original base bid amount . The administrative adjustment to the base bid amount did not change the lowest responsive bidder for the project. The original and adjusted base bid amounts are as follows:

EAGLE PAVING COMPANY INC. DBA TORO ENGINEERING	BID AMOUNT
Original	\$8,977,279.21
Adjusted	\$8,977,371.26

Paving Company Inc. dba Toro Engineering has acknowledged the minor computational error in their bid proposal and indicated that they will honor the adjusted base bid amount (Attachment 3).

The adjusted apparent low bid by Eagle Paving Company, Inc. dba Toro Engineering of \$8,977,371.26 is \$2,405,168.74 (approximately 21%) below the Engineer’s estimate of \$11,382,539.38.

Eagle Paving Company, Inc. dba Toro Engineering is currently an active licensed Class “A”, General Engineering Contractor (License No. 944939) and has performed similar work in the City and the region with satisfactory performance. All listed sub-contractor’s licenses are also current and active. Staff has reviewed Eagle Paving Company, Inc. dba Toro Engineering bid package, and determined them to be a responsible and responsive bidder; therefore, staff recommends awarding STL0430 to Eagle Paving Company, Inc. dba Toro Engineering.

Since the low bid is below engineer’s estimate, there is an opportunity to include the additional street segments as part of this contract. City staff will negotiate a contract change order with the contractor after the award. If all additional street segments can be included in this project, all residential street segments that had previously been identified with PCI scores below 40 will have been rehabilitated. Attachment 1 and Attachment 2 identify the street segments for CIP STL0430.

Infrastructure, Facilities and Equipment Expenditure Plan

The City Council adopted the Infrastructure, Facilities and Equipment Expenditure Plan (Plan) on December 6, 2016, relating to the expenditure of the Measure P Sales Tax. As mentioned above, some other Measure P projects are in a longer design phase and do not need construction funding at this time. Staff is requesting various amendments to the FY 2018/19 CIP budget to accelerate delivery of street pavement rehabilitation on residential streets. The amendments only revise the timing of funding availability for the various categories and do not alter the categories total projected funding amount. The amended amounts (reduction in current year) for the various categories would be reallocated (increased to original amount) in the future from revenue that had been set for street pavement rehabilitation. The amended Plan and various expenditure categories are summarized below.

ITEM DESCRIPTION	DEPARTMENT	PRIOR	FY 2018-19	
		MEASURE P ALLOCATION	REQUESTED ADJUSTMENT	NEW FY 2018-19 ALLOCATION
Fire Station 2 Fueling Tank Replacement (GGV0242)	Fire	\$ 738,617	\$ (738,340)	\$ 277
Recreation & Senior Centers Repairs (GGV0233)	Public Works	\$ 5,000,000	\$ (1,500,000)	\$ 3,500,000
Civic Center and South Libraries (GGV0231)	Public Works	\$ 3,000,000	\$ (1,000,000)	\$ 2,000,000
Public Building Repairs (GGV0234)	Public Works	\$ 5,536,000	\$ (1,857,788)	\$ 3,678,212
Sports Courts and Fields (PRK0327)	Public Works	\$ 4,500,000	\$ (1,000,000)	\$ 3,500,000
Park Infrastructure (PRK0326)	Public Works	\$ 5,900,000	\$ (2,000,000)	\$ 3,900,000
Sidewalk Replacement (STL0428)	Eng & Capital Proj	\$ 2,500,000	\$ (850,000)	\$ 1,650,000
CMP Rehab Outside ROW (DRN0209)	Eng & Capital Proj	\$ 1,571,000	\$ (150,000)	\$ 1,421,000
Street Pavement Rehab Phases I/II (STL0427/STL0430)	Eng & Capital Proj	\$ 15,882,566	\$ 8,592,295	\$ 24,474,861
Traffic Signal Systems- Fiber Network (TRF0408)	Eng & Capital Proj	\$ 3,000,000	\$ 2,000,000	\$ 5,000,000
Citywide Telecommunications (GGV0237)	ITS	\$ 2,000,000	\$ 155,602	\$ 2,155,602
CMP Rehab Outside ROW (DRN0209)*	Eng & Capital Proj	\$ 1,421,000	\$ (165,000)	\$ 1,256,000
CMP Rehab Outside ROW Phase II (DRN0211)*	Eng & Capital Proj	\$ 5,189,000	\$ 165,000	\$ 5,354,000
	TOTALS	\$ 56,238,183	\$ 1,651,769	\$ 57,889,952
*Includes adjustment to move funds to Phase II.				

Change Orders

On May 9, 2017, City Council approved Resolution 17-0174 to adopt ordinance (Ord. 3400 § 1, 2017) of the City of Chula Vista and amend Chapter 2.56 of the Chula Vista Municipal Code – “Purchasing System”. This ordinance amends the change order limits and authorizes the City Engineer to approve change orders up to the remaining CIP budget available for the CIP project.

Wage Statement

The Contractor and its subcontractors are required by bid specifications to pay prevailing wage (“Prevailing Wage Rates”) to persons employed by them for work under this Contract. In accordance with the provisions of Section 1773 of the Labor Code of the State of California, the City of Chula Vista has ascertained the general prevailing wage scales applicable to the work to be done. The prevailing wage scales are those determined by the Director of Industrial Relations, State of California.

Disclosure Statement

Attachment 4 is a copy of the Contractor’s Disclosure Statement.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found that Mayor Salas and Councilmembers McCann, Diaz, and Galvez have property holdings within 500 feet of the boundaries of the property which is the subject of this action. However, the decision solely concerns repairs, replacement or maintenance of existing streets, water, sewer, storm drainage or similar facilities, and the members’ property will not be affected disproportionately to other properties receiving the same services. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(d)(1)), this item does not present a real property-related conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, et seq.).

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.

CURRENT-YEAR FISCAL IMPACT

Approval of the resolution will (1) initiate the construction phase of STL0430, (2) amend the Infrastructure, Facilities, and Equipment Expenditure Plan, and (3) amend the FY 2018/19 Operating and Capital Improvement Program budgets to add funding from various CIPs and fund balance to the amended Infrastructure, Facilities and Equipment Expenditure Plan, accelerating the repair and replacement of critical assets.

The following is a summary of anticipated project costs for bid:

FUNDS REQUIRED FOR CONSTRUCTION	
A. Contract Amount	\$8,977,371.26
B. Additional Funds for Additional Locations (Attachment 2)	\$2,710,513.21
C. Contingencies (Approx. 12% of Contract Amount and Additional Funds)	\$1,402,547.00
D. Construction Management (Consultant), Staff Time, Material Testing & Other Costs (Approx. 16.5% of Contract Amount and Additional Funds)	\$1,928,501.00
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$15,018,932.47

AVAILABLE FUNDING	
A. Project Budget (Measure P Funds)	\$8,131,148.00
B. Additional to Award (Measure P Funds)	\$6,887,784.47
TOTAL FUNDS AVAILABLE FOR CONSTRUCTION	\$15,018,932.47

ONGOING FISCAL IMPACT

Upon completion of the project, the improvements will require only routine City street maintenance. Since the improvements are anticipated to increase the life of the streets included, there should be a positive long term fiscal impact.

ATTACHMENTS

1. List of Locations (included in bid – contract amount)
2. List of Additional Locations (included in additional funds)
3. Contractors Letter of Acknowledgment (for minor computational error)
4. Contractor’s Disclosure Statement
5. Infrastructure, Facilities and Equipment Expenditure Plan (Jan 2019 Revision)

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