



# City of Chula Vista

## Legislation Details (With Text)

**File #:** 14-0099      **Name:** STM377 Contract Award  
**Type:** Consent Item      **Status:** Passed  
**In control:** City Council  
**On agenda:** 3/25/2014      **Final action:** 3/25/2014  
**Title:** RESOLUTION NO. 2014-047 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS, AWARDING THE CONTRACT FOR THE "EAST ORANGE AVENUE BIKE LANE IMPROVEMENTS BETWEEN MAX AVENUE AND MELROSE AVENUE IN THE CITY OF CHULA VISTA (CIP# STM377)" PROJECT TO PALM ENGINEERING CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF \$173,977.05, WAIVING CITY COUNCIL POLICY 574-01, AND AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$30,000

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Item 6 - RESOLUTION, 2. Item 6 - DISCLOSURE STATEMENT

Date	Ver.	Action By	Action	Result
3/25/2014	1	City Council	approve	Pass

RESOLUTION NO. 2014-047 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS, AWARDING THE CONTRACT FOR THE "EAST ORANGE AVENUE BIKE LANE IMPROVEMENTS BETWEEN MAX AVENUE AND MELROSE AVENUE IN THE CITY OF CHULA VISTA (CIP# STM377)" PROJECT TO PALM ENGINEERING CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF \$173,977.05, WAIVING CITY COUNCIL POLICY 574-01, AND AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$30,000

### RECOMMENDED ACTION

Council adopt the resolution.

### SUMMARY

On February 12, 2014, the Director of Public Works received nine (9) sealed bids for the "East Orange Avenue Bike Lane Improvements between Max Avenue and Melrose Avenue in the City of Chula Vista (STM377)" project. The project is included in the Capital Improvement Program Fiscal Year 2013/2014. The proposed resolution, if approved, would accept bids, award the contract for this project to the low bidder Palm Engineering Construction Company, Inc. in the amount of \$173,977.05, waive City Council Policy 574-01, and authorize the expenditure of all available contingency funds in an amount not to exceed \$30,000.

### ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity qualifies for a Class 4 (h) categorical exemption pursuant to Section 15304 [Minor Alterations to Land] of the State CEQA Guidelines, because the activity consists of the creation of a bike lane on an existing street right-of-

way and ancillary work. Thus, no further environmental review is required.

**BOARD/COMMISSION RECOMMENDATION**

Not Applicable

**DISCUSSION**

The project will narrow the existing raised median along East Orange Avenue which will provide a wider traveled way for the addition of a westbound bicycle lane. The scope of this project also includes the relocation of existing street lighting, landscape irrigation, signage, and pavement striping and markings. The goal of this CIP project is to provide a missing segment of Class 2 Bike Lanes along East Orange Avenue as indicated in the City’s Bicycle Master Plan. The City applied for and received a Bicycle Transportation Account (BTA) Grant from the State of California to cover the construction costs of this project.

On February 12, 2014, the Director of Public Works received nine (9) bids as follows:

	<b>CONTRACTOR</b>	<b>BID</b>
1	Palm Engineering Construction Co., Inc. - San Diego, CA	\$173,977.05
2	A.B. Hashmi, Inc. - San Diego, CA	\$182,983.00
3	Just Construction, Inc. - San Diego, CA	\$188,369.00
4	Tri-Group Construction & Development - San Diego, CA	\$193,955.00
5	PAL General Engineering, Inc. - San Diego, CA	\$225,300.00
6	New Century Construction, Inc. - Lakeside, CA	\$239,715.00
7	Falcon Construction Co. - San Diego, CA	\$242,655.00
8	Ramona Paving and Construction Co. - Ramona, CA	\$248,569.50
9	Visionary Construction and Consulting Company - Escondido, CA	\$314,881.00

The low bid submitted by Palm Engineering Construction Company, Inc. is below the Engineer’s estimate of \$261,710 by \$87,732.95 (approximately 33.5%). Palm Engineering Construction Company, Inc. has performed similar work in the City with satisfactory performance. Palm Engineering Construction Company, Inc. is a licensed General Engineering Contractor (Class A) with a current and active License No. 853930.

The proposed resolution would also authorize the Director of Public Works to approve change orders over and above existing policy limits. Under City Council Policy No. 574-01, if an individual change order causes the cumulative increase in change orders to exceed the Director’s authority (“Maximum Aggregate Increase in Change Orders”), then City Council approval is required. The corresponding maximum aggregate contract increase that may be approved by the Director of Public Works under Policy No. 574-01 is \$15,178. Approval of the resolution would increase the Director of Public Works’ authority to approve change orders, as necessary, up to the contingency amount of \$30,000, an increase of \$14,822 over Policy No. 574-01. Increasing the contingency funds will allow staff to continue the project without delay should unforeseen circumstances resulting in increased project costs arise during the course of construction, as well as make adjustments to bid item quantities. Unforeseen conditions include such items as utility conflicts, hazardous materials, unexpected

underground conflicts, etc. If the contingency funds are not used, then they will be returned to the project fund balance.

Staff reviewed the lowest bid submitted by Palm Engineering Construction Company, Inc. and determined that the bid package is complete, with no errors or omissions. Therefore, staff recommends awarding a construction contract to Palm Engineering Construction Company, Inc. in the amount of \$173,977.05.

Wage Statement

The Contractor that is awarded the contract and its subcontractors are required to pay prevailing wages to persons employed by them for work under this contract.

Disclosure Statement

Attachment 1 is a copy of the Contractor's Disclosure Statement.

**DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of the property which is the subject of this action. 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 East Orange Avenue Bike Lane Improvements project supports the Healthy Community goal by providing additional bicycle facilities to encourage bicycle ridership in the surrounding area as an alternative mode of transportation. The project also supports the Strong & Secure Neighborhoods goal as it will improve bicycle safety on this major segment of the City's bicycle network by providing a defined bike lane adjacent to and separate from the motorized traffic. Completing the Class 2 bicycle network along this roadway creates an appealing community amenity for the residents.

**CURRENT YEAR FISCAL IMPACT**

Sufficient Bicycle Transportation Account grant and TransNet funds are available in CIP Project No. STM377 to complete the project. There is no additional impact to both funds; sufficient funding is available in the Bicycle Transportation Account Grant Fund and TransNet Fund to cover the capital costs associated with this project. There is no direct impact to the General Fund. The table below summarizes the project construction costs.

<b>FUNDS REQUIRED FOR CONSTRUCTION</b>	
A. Contract Amount	\$ 173,977.05
B. Contract Contingency	\$ 30,000
C. Construction Inspection Staff Cost	\$ 50,000
D. Other Staff Cost (Design Support, Survey Monument Preservation & Geotechnical)	\$15,000
<b>TOTAL FUNDS REQUIRED FOR CONSTRUCTION</b>	<b>\$268,977.05</b>

**ONGOING FISCAL IMPACT**

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