



# City of Chula Vista

## Staff Report

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**File#:** 14-0104, **Item#:** 5.

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RESOLUTION NO. 2014-052 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS, DECLARING THE APPARENT LOW BIDDER, FRANK & SON PAVING INC., TO BE NON-RESPONSIVE AND AWARDING CONTRACT FOR THE "CITY PARKING LOT REHABILITATION (OP212)" PROJECT TO RAMONA PAVING AND CONSTRUCTION CORPORATION IN THE AMOUNT OF \$180,180.50, WAIVING CITY COUNCIL POLICY 574-01 AND AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS NOT TO EXCEED \$27,027.25

### **RECOMMENDED ACTION**

Council adopt the resolution.

### **SUMMARY**

On February 19, 2014, the Director of Public Works received sealed bids for the "City Parking Lot Rehabilitation (OP212)" project. The project consists of the removal and replacement of failed asphalt concrete pavement (dig-outs) and the application of asphalt concrete (AC) overlay and/or "GuardTop" slurry seal. Scope of work on this project also includes the replacement of ADA parking stalls, ADA pedestrian ramps, tree removal and installation, curb/median PCC work, traffic control, striping and markings, and other miscellaneous items of work necessary to complete 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(c) categorical exemption pursuant to Section 15301, Existing Facilities, of the State CEQA Guidelines because the project consists of maintenance or repair work to existing public street facilities involving negligible or no expansion of an existing use. Thus, no further environmental review is necessary.

### **BOARD/COMMISSION RECOMMENDATION**

Not applicable.

### **DISCUSSION**

This preservation program is designed to extend the pavement life and serviceability of the City parking lots through the removal and replacement of deteriorated sections of pavement (dig-outs) and the application of various types of surface treatments. The application of the asphalt concrete (AC) overlay and/or "GuardTop" slurry seal treatment will complete the overall maintenance strategy on these City facilities.

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In addition to applying the asphalt overlay and “GuardTop” slurry seal, the scope of work also includes the removal, replacement or installation of ADA approved parking stalls, dig-out repair of asphalt pavement, weed removal and treatment with herbicide, crack filling, pavement striping and markings, replanting of new trees, concrete median and curb repair, traffic control, protection and restoration of existing improvements, and other miscellaneous work necessary to successfully complete the project.

On February 19, 2014, the Director of Public Works received ten (10) bids for the “City Parking Lot Rehabilitation (OP212)” project. The following bids were received:

<b>CONTRACTOR</b>	<b>SUBMITTAL RESULT</b>	<b>TOTAL SUBMITTED</b>
1. Frank & Son Paving Inc. - Chula Vista, CA	Suspended License, non-responsive in license requirements. There is also a \$30.00 mathematical error. Actual bid total is \$164,215.10.	\$164,245.10
2. Ramona Paving & Const. Corp. - San Diego, CA	All requirements met	\$180,180.50
3. Miller Paving Corp.- Santee, CA	All requirements met	\$182,629.00
4. KAD Paving Co.- San Diego, CA	All requirements met	\$188,230.25
5. Portillo Concrete, Inc. - Lemon Grove, CA	All requirements met. \$100.00 mathematical error. Actual bid total is \$192,007.00.	\$192,107.00
6. Kirk Paving Inc. -	All requirements met	\$196,674.21
7. Angus Asphalt Inc. -	All requirements met	\$199,500.00
8. SC Services Inc. -	All requirements met	\$226,104.25
9. New Century Const. Inc. -	All requirements met	\$227,590.00
10. PAL General Engineering Contractors - San Diego, CA	All requirements met. \$39,847.50 mathematical error. Actual bid total is \$210,345.50.	\$250,193.00

In the City’s bid package, it was stated that the minimum license requirements for this contract would be Class A - General Engineering Contractor, or a combination of C-8 (Concrete), C-10 (Electrical), C-12 (Earthwork and Paving), C-31 (Traffic Control), C-32 (Parking and Highway Improvement) and D-49 (Tree Service) contractor licenses. Staff reviewed the apparent low bid submitted by Frank & Son Incorporated and determined that the contractor does not comply with the licensing requirement as previously stated. Frank & Son only has a C-12 license and their subcontractor, Statewide Striping,

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has a C-32 license. Additionally, their license is noted as "Suspended" for failure to comply with the Workers' Compensation Requirement, as of March 3, 2014 (Attachment 1). Although their license can be reinstated once an updated Worker's Compensation Certificate is processed by the Contractor's State License Board, this contractor still would not comply with the licensing requirements stated in the contract documents.

Staff sent a letter to the apparent low bidder, Frank & Son Paving Incorporated, informing them of the discrepancies and recommends that their bid be rejected for being non-responsive (Attachment 2). The bid submitted by Ramona Paving and Construction Corporation, the second apparent lowest bidder, is approximately 13.93% below the Engineer's estimate of \$209,335.

The Contractor, Ramona Paving and Construction Corporation, has a Class A - General Engineering Contractor's license. Although a specific license isn't required, Section 2-9 of the City's Specifications states that, "Tree trimming and other services must be done by a qualified Arborist provided by the Contractor." Ramona Paving stated that tree trimming would be done by Gary D. McDunn, a Certified Arborist by the International Society of Arboriculture (Attachment 3). The Contractor was not included in the proposal because the estimated cost was \$900, which is less than one half of one percent of the total contract cost (Section 4104 of the CA Public Contract Code). Additionally, Section 9 Subcontracting of the Proposal Requirements and Conditions states, "Each proposal shall have listed therein the name, license number and complete address and phone numbers of each subcontractor to whom the bidder proposes to subcontract portions of the work in the amount of ½ of 1% of the total bid or \$10,000, whichever is greater."

The Contractor has performed construction projects of similar scope for the City in the past and their work has been satisfactory. The Contractor's License No. 502506 is current and active. Staff recommends awarding a contract in the amount of \$180,180.50 to Ramona Paving and Construction Corporation.

Additionally, for this contract the City Council Policy No. 574-01 will only allow the Director of Public Works to authorize a maximum cumulative change order(s) amount of \$10,000 plus 7% of the original contract over \$100,000 (\$15,612.64) without City Council prior approval. The proposed resolution would increase the Director of Public Works' cumulative change order authority to approve change orders, as necessary, up to the 15% contingency amount of \$27,027.25, which is an increase of \$11,414.62 over Policy No. 574-01 limitations.

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.

Disclosure Statement

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Attachment 4 is a copy of the Contractor's Disclosure Statement

Wage Statement

The source of funding for this project is the Parking Meter Fund. Contractors bidding this project are not required to pay prevailing wages to persons employed by them for the work under this project. Disadvantaged businesses were encouraged to bid in the Notice to Contractors in various trade publications.

**DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council and has found that Councilmember Mary Salas has real property holdings within 500 feet of the boundaries of the properties which are the subject of this action. Staff is not independently aware, nor has staff 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 goal of the "Pavement Major Rehabilitation FY12/13 (Overlay) (STM373)" project is to support the Strong and Secure Neighborhood strategy identified in the City's Strategic Plan. The maintenance and rehabilitation of public infrastructure is a key function in providing safe and efficient amenities for residents, businesses and visitors.

**CURRENT YEAR FISCAL IMPACT**

The following is a summary of anticipated project costs:

<b>FUNDS REQUIRED FOR CONSTRUCTION</b>	
A. Contract Amount	\$180,180.50
B. Contingencies (Approx. 15%)	\$ 27,027.25
C. Staff Time, Material Testing & Other Costs (Approx. 15%)	\$ 27,027.25
<b>CONSTRUCTION TOTAL</b>	<b>\$234,235.00</b>

<b>FUNDING SOURCES</b>	
A. OP212 Parking Meter Fund	\$234,235.00
<b>TOTAL</b>	<b>\$234,235.00</b>

There is no additional impact to the Parking Meter Fund as sufficient funding is available to cover the program costs associated with this project. There is no direct impact to the General Fund for this project.

**ONGOING FISCAL IMPACT**

Upon completion of the project, the improvements will require only routine City maintenance. Since the improvements are anticipated to increase the life of these City facilities, there should be a positive

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long term fiscal impact.