



City of Chula Vista

Staff Report

File#: 15-0125, **Item#:** 2.

RESOLUTION NO. 2015-092 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS AWARDING THE CONTRACT FOR THE "OXFORD STREET SEWER IMPROVEMENT, BETWEEN BROADWAY TO WEST END OF CUL-DE-SAC, IN THE CITY OF CHULA VISTA, CALIFORNIA (CIP#SW266)" PROJECT TO PAL GENERAL ENGINEERING INC. IN THE AMOUNT OF \$488,675; WAIVING CITY COUNCIL POLICY NO. 574-01; AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE ALL CHANGE ORDERS; AND AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$73,300

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On March 3, 2015, the Director of Public Works received seven (7) sealed bids for the "Oxford Street Sewer Improvement, between Broadway to West End of Cul-de-sac, in the City of Chula Vista, California (CIP#SW266)" project. The project scope consists of the removal and replacement of existing sewer pipe and manholes, pavement overlay, and other miscellaneous work to complete the project.

ENVIRONMENTAL REVIEW

The Development Services Director 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(b) categorical exemption pursuant to Section 15301 (Existing Facilities) of the State CEQA Guidelines. Thus, no further environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not Applicable.

DISCUSSION

The Oxford Street Sewer Improvement project involves the removal and replacement of approximately 1,200 lineal feet of sewer pipes, sewer laterals connections, removal and replacement of existing sewer manholes, and pavement overlay. Engineering staff prepared the contract documents and advertised the project on February 13, 2015.

On March 3, 2015, the Director of Public Works received seven (7) seal bids. The following bids were received:

Contractor	Bid Amount
1. PAL Engineering Inc. - San Diego, CA	\$488,675.00

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2. Portillo Concrete, Inc. - Lemon Grove, CA	\$494,905.00
3. Southland Paving, Inc. - Escondido, CA	\$537,585.50
4. GRFO, Inc. - Brea, CA	\$549,150.00
5. Blue Pacific Engineering and Construction- San Diego, CA	\$569,235.00
6. Burtech Pipeline, Inc.-Encinitas, CA	\$614,300.00
7. Wier Construction Corp.-Escondido, CA	\$673,850.00

The low bid submitted by PAL Engineering Inc. is below the Engineer's estimate of \$520,000 by \$31,325 (approximately 6%). PAL Engineering Inc. is currently an active Licensed Class A - General Engineering Contractor (License No. 916931) and has performed similar work in the City with satisfactory performance. In addition, Pal Engineering Inc. is a Chula Vista registered Contractor, and all companies associated with this contract are registered as a public works contractors with the California Department of Industrial Relations (DIR).

Staff reviewed the lowest bid submitted by Pal General Engineering, Inc. and determined that the bid package is complete, with no errors or omissions. Therefore, staff recommends awarding a construction contract to Pal General Engineering Inc. in the amount of \$488,675.

The proposed resolution would 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 \$37,207. Approval of the resolution would increase the Director of Public Works' authority to approve change orders, as necessary, up to the contingency amount of \$73,300 (approximately 15% of contract), an increase of \$36,093 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.

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 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. This project supports the Strong & Secure Neighborhood goal as it will ensure sustainable and well maintained wastewater infrastructure by increasing existing sewer capacity and insuring the City's wastewater facilities meet the need of the public.

CURRENT YEAR FISCAL IMPACT

Sufficient TransNet and Trunk Sewer Capital Reserve Funds are available in CIP SW266 to complete the project. Therefore, there are no additional impacts to these funds. The table below summarizes the project construction costs.

FUNDS REQUIRED FOR CONSTRUCTION CONTRACT	
A. Base Contract Amount	\$488,675
B. Contract Contingency (15% of contract)	\$73,300
C. Construction Inspection	\$50,000
Design/Survey/Monument Preservation	\$50,000
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$661,975

ONGOING FISCAL IMPACT

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

ATTACHMENTS

1. Disclosure Statement

Staff Contact: Patrick C. Moneda, Senior Civil Engineer