



City of Chula Vista

Staff Report

File#: 17-0085, **Item#:** 3.

RESOLUTION NO. 2017-081 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; AWARDING A CONTRACT FOR THE "SIGN REFLECTIVITY REPLACEMENT FY 2015/2016 (CIP# TF391)" PROJECT TO A GOOD SIGN & GRAPHICS CO. IN THE AMOUNT OF \$131,400; WAIVING CITY COUNCIL POLICY 574-01; AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE ALL CHANGE ORDERS AND EXPEND ALL AVAILABLE FUNDS IN AN AMOUNT NOT TO EXCEED \$143,000

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On April 14, 2017, the Director of Public Works received three (3) sealed bids for the "Sign Reflectivity Replacement FY 2015/2016 (CIP# TF391)" project at various locations. The project consists of the removal and installation of street signs, sign post and foundations.

ENVIRONMENTAL REVIEW

Environmental Notice

The Project qualifies for a Class 1 Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act State Guidelines.

Environmental Determination

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 (Existing Facilities) of the State CEQA Guidelines because the project involves negligible or no expansion of an existing use. Thus, no further environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

The Federal Highway Administration (FHWA) has mandated that Cities have a maintenance plan for replacing signs not meeting minimum retroreflectivity levels. Minimum retroreflectivity levels are intended to promote sign visibility and ensure critical information is conveyed to motorists.

Bids previously received for this project were rejected as summarized in City Council Memorandum (see Attachment 1) dated December 21, 2016. Bid analysis revealed that the originally selected sign evaluation plan was an inefficient method for maintaining the City's roadway signage infrastructure.

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With the rejection of previous bids, City staff selected a sign maintenance plan focusing on replacement of signs by zone as shown in Attachment 2. The signs in a number of areas of the City will be replaced on a rotating cycle based on the expected service life of signs. The scope of TF391 is in line with this on-going maintenance plan by replacing all signs within Sign Replacement Zone B (see Attachment 3).

On April 14, 2017, the Director of Public Works received three (3) sealed bids as follows:

	CONTRACTOR	BASE BID TOTAL
1	A Good Sign and Graphics Co.	\$131,400
2	Chrisp Company	\$156,580
3	S&B Engineering Inc.	\$188,740

The apparent low bid by A Good Sign and Graphics Co. of \$131,400 is \$67,040 (approximately 34%) below the Engineer's estimate of \$198,440.

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 charge order causes the cumulative increase in change orders to exceed the Director's authority, ("Maximum Aggregate Increase in Change Orders"), 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 \$12,198. Approval of the resolution would increase the Director of Public Works' authority to approve change orders, as necessary, up to the contingency amount of \$143,000 (approximately 109% of the contract), an increase of \$130,802 over Policy No. 574-01.

As a result of bids being substantially below (approximately 34%) the Engineer's estimate for this project, City staff recommends increasing the Director's authority to exhaust remaining funds due to favorable contract unit prices for sign replacement. Additionally, this increase will allow the project to continue without delay should unforeseen circumstances arise resulting in increased project costs during the course of construction.

A Good Sign and Graphics Co. is currently an active Licensed Class "D-42", Non-Electrical Sign Contractor (License No. 956088) and has performed similar work for other cities/jurisdictions with satisfactory performance. Staff has reviewed A Good Sign and Graphics Co.'s bid and determined it to be responsive. Therefore, staff recommends awarding TF393 project contract to A Good Sign and Graphics Co.

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

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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 no property holdings within 500 feet of the boundaries of the property which is 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 Sign Reflectivity Replacement FY 2015/2016 (CIP# TF391) project supports the Strong and Secure Neighborhoods Strategic Goal as it maintains public infrastructure vital to the safety of the motoring public as well as the quality of life for all residents.

CURRENT YEAR FISCAL IMPACT

Approval of the resolution will initiate the construction phase of TF391. Sufficient SAFE funds have been set aside in TF391 to complete the project. Therefore, there is no additional impact to these funds.

The table below summarizes the anticipated project costs.

FUNDS REQUIRED FOR CONSTRUCTION	
A. Contract Amount	\$131,400
B. Contingency (Approximately 15% of contract)	\$20,000
C. Construction Inspection Staff Cost	\$30,000
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$181,400

Bid unit costs received were approximately 34% lower than anticipated. Expenditure of remaining funds not to exceed \$143,000 is recommended due to favorable contract unit prices for sign replacement.

ONGOING FISCAL IMPACT

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

ATTACHMENTS

1. Memo - Rejection of August 2016 Bids
2. City Sign Replacement Zones
3. TF391 Project Overview
4. Contractor's Disclosure Statement

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