



City of Chula Vista

Staff Report

File#: 17-0099, **Item#:** 2.

RESOLUTION NO. 2017-091 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; AWARDING A CONTRACT FOR THE "MAJOR PAVEMENT REHABILITATION FY 2016/17 (CIP# STM390)" PROJECT TO ATP GENERAL ENGINEERING CONTRACTORS, LLC IN THE BASE BID AMOUNT OF \$2,367,444.50; WAIVING CITY COUNCIL POLICY NO. 574-01; AND AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE ALL CHANGE ORDERS AND EXPEND ALL CONTINGENCY AND AVAILABLE FUNDS IN AN AMOUNT NOT TO EXCEED \$1,098,581.50

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On May 10, 2017, the Director of Public Works received five (5) sealed base bids for the "Major Pavement Rehabilitation FY 2016/17 (STM390)" project. The project consists of the removal and replacement of failed asphalt concrete pavement (dig-outs) and the resurfacing of pavement using Asphalt Rubber Aggregate Membrane (ARAM) on various streets citywide.

ENVIRONMENTAL REVIEW

Environmental Notice

The Project qualifies for a Class 1(c) 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(c) (Existing Facilities) of the State CEQA Guidelines. Thus, no further environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

The Public Works Department utilizes a Pavement Management System (PMS) and pavement preservation program to develop the priority list of streets to rehabilitate and preserve throughout the city. This preservation program is designed to extend the roadway life and serviceability through the removal and replacement of deteriorated sections of pavement (dig-outs) or entire pavement sections using various methods of reconstruction and the application of suitable types of surface treatments.

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The re-construction or overlay of some street segments and the application of the Asphalt Rubber Aggregate Membrane (ARAM) surface treatment on the street segments shown in Attachment 1 will complete the overall maintenance strategy on these street segments.

City Staff prepared plans and specifications and began the advertisement of the project on April 14, 2017. The Director of Public Works received and opened five (5) base bids for the project on May 10, 2017 as follows (listed in numerical order of bid total amount):

	CONTRACTOR	BASE BID AMOUNT
1	ATP GENERAL ENGINEERING CONTRACTORS, LLC	\$2,367,444.50
2	PAL GENERAL ENGINEERING, INC.	\$2,477,131.63
3	TC CONSTRUCTION COMPANY, INC.	\$2,697,459.50
4	SRM CONTRACTING AND PAVING	\$2,720,505.10
5	HAZARD CONSTRUCTION COMPANY	\$2,739,446.40

The apparent low bid by ATP General Engineering Contractors, LLC of \$2,367,444.50 is \$557,845.07 (approximately 19%) below the Engineer's estimate of \$2,925,289.57.

ATP General Engineering Contractors, LLC is currently an active licensed Class "A", General Engineering Contractor (License No. 502506) and has performed similar work in the region with satisfactory performance. Staff has reviewed ATP General Engineering Contractors, LLC references and bid package, and determined them to be a responsible and responsive bidder; therefore, staff recommends awarding STM390 to ATP General Engineering Contractors, LLC.

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"), 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 \$141,372. Approval of resolution would increase the Director of Public Works' authority to approve change orders, as necessary, up to an amount of \$1,098,581.50 (contingency and additional pavement rehabilitation funds), an increase of \$957,209.50 over Policy No. 574-01. Increasing the Director's authority will allow the project to continue without delay should unforeseen circumstances arise resulting in increased project costs 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, unexpected pavement conditions etc. If the contingency funds are not used, they will be returned to the project fund balance.

Additive Bid (STL429)

Additive bid items were included as part of the bid proposal for the "Rancho del Rey Pavement Rehabilitation (STL429)" project. As stated in the bid documents, these items were not considered in determining the lowest responsive bidder. The additive bid received by ATP General Engineering

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Contractors, LLC is in the amount of \$539,694.50. This amount is \$240,877.71 (approx. 81%) higher than the engineer's additive bid estimate of \$298,816.79. Therefore, based on such high variance and insufficient funds, City staff recommends not awarding the additive bid.

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 2 is a copy of the Contractor's Disclosure Statement.

DECISION-MAKER CONFLICT

Not Applicable - Not Site-Specific

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial 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.

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 "Major Pavement Rehabilitation FY 2016/17 (STM390)" 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 City function in providing a safe and efficient roadway system for residents, businesses and visitors alike.

CURRENT YEAR FISCAL IMPACT

Approval of the resolution will initiate the construction phase of STM390. A total of \$350,000 in CalRecycle funds will be added to STM390 as part of the FY2017/18 CIP Program. Therefore, sufficient TransNet and CalRecycle funds will be available to complete the project. See attachments 3 and 4.

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

FUNDS REQUIRED FOR CONSTRUCTION
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A. Contract Amount B. Contingencies (Approx. 15%) C. Staff Time, Material Testing & Other Costs (Approx. 25%) D. Additional Pavement Rehabilitation Funds	\$2,367,444.50 \$355,120.00 \$591,870.00 \$743,461.50
CONSTRUCTION TOTAL	\$4,057,896.00

FUNDING SOURCES (ROUNDED)	
A. TransNet Funds	\$3,707,896.00
B. CalRecycle Funds (to be added as part of CIP Program)	\$350,000.00
TOTAL	\$4,057,896.00

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. Project Location (STM390)
2. Disclosure Statement
3. CalRecycle's official Notice to Proceed/ Agreement
4. Resolution No. 2016-237

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