

November 4, 2003

Honorable Mayor and Members of
The Hermosa Beach City Council

Regular Meeting of
November 12, 2003

**PROJECT NO. CIP 02-189 STREET IMPROVEMENTS – MYRTLE AREA, AWARD
CONSTRUCTION CONTRACT AND APPROVE PROFESSIONAL SERVICES
AGREEMENT FOR CONSTRUCTION MANAGEMENT/INSPECTION**

Recommendation:

It is recommended that the City Council:

1. Award the Construction Contract to Orion Contracting, Inc. in the amount of \$418,305.00 and authorize the Mayor to execute and the City Clerk to attest subject to approval by the City Attorney;
2. Authorize the appropriation of \$37,000 from the 160 Sewer fund;
3. Authorize the Director of Public Works to make minor changes to the Orion Contracting, Inc. contract as necessary within the contingency of \$42,000;
4. Approve the attached Professional Services Agreement for construction management services between the City of Hermosa Beach and CBM Consulting, Inc. for a fee not to exceed \$47,174 and authorize the Mayor to execute and the City Clerk to attest subject to approval by the City Attorney; and
5. Authorize the Director of Public Works to make minor changes to the CBM Consulting, Inc. as necessary not to exceed \$4,800.

SUMMARY:

On October 2, 2003, Project No. CIP 02-189 was advertised in the Easy Reader, Green Sheet (F.W. Dodge), and Reed Construction Data. A total of 14 bid packages were picked up. The City Clerk received 7 bids by the closing date of October 30, 2003. The bids were publicly opened and read aloud. The bid results are as follows:

BIDDER	CITY	TOTAL BID AMOUNT
1. Orion Contracting, Inc.	San Clemente, CA	\$418,305.00
2. Sequel Contractors, Inc.	Santa Fe Springs, CA	\$426,922.50
3. Ruiz Engineering Company	Long Beach, CA	\$472,773.10
4. Alliance Streetworks, Inc.	Anaheim, CA	\$509,200.00
5. All American Asphalt	Corona	\$520,760.00
6. Palp, Inc. dba Excel Paving Company	Long Beach, CA	\$544,282.25
7. Sully-Miller	Anaheim, CA	\$558,772.50

All bids, except for the bid received from Sequel Contractors, Inc., were responsive. Sequel Contractors, Inc. failed to submit the correct bid sheet, which was transmitted in Addendum No. 1. The price of the apparent low bidder, Orion Contracting, Inc., is \$42,695 (approximately 9.26%) below the engineer's estimate of \$461,000.

The services of a consultant Construction Manager are needed to supplement the construction management and inspection capacity of the Public Works Department. On October 30, 2003 the City of Hermosa Beach Public Works Department received eleven statements of qualifications for the performance of general engineering and construction management services.

Staff selected CBM Consulting, Inc. and negotiated a not-to-exceed fee of \$47,174. In addition to construction management, inspection, and administrative services, CBM will also provide AutoCAD as-builts at no extra cost. This incidental service has a value of approximately three to five thousand dollars.

CBM is also the firm that designed this project. This will prove helpful when design questions arise during construction since the inspector has direct communication with the designer. CBM's responsibility for design and familiarity with the project will help ensure a successful construction project.

Background:

Construction for this project is funded by the 301 Capital Improvement Fund in the amount of \$863,100. Sewer work was added in Addendum No. 1 which includes removing one manhole, installing two new manholes, lining 310 feet of sewer main, and two spot repairs (if necessary).

The Public Works Commission reviewed the plans, specifications, and estimate and received public comments on this project during the March 19, 2003 meeting. The Commission is in support of the project and Staff's efforts to ensure that all sewer work and utility upgrades occur prior to street paving.

For the last eight months, the Gas Company has been upgrading their utilities in the project vicinity. They are now finishing the trench paving. Staff is working closely with the Gas Company to ensure their completion of work prior to the start of the City's street improvements project.

Analysis:

Staff has reviewed the low bidder documents and has found them to be in order. Reference calls have been supportive of the contractor's work habits.

Since contract sewer work was added per Addendum No. 1 in the bid amount of \$35,600, the appropriation of \$37,000 from the 160 Sewer Fund is in order.

Fiscal Impact:

The project funding sources are as follows:

FUNDING SOURCE	CURRENT BUDGET	PROPOSED APPROPRIATIONS
1) 301 Capital Improvement	863,100	0
2) 160 Sewer	0	37,000
TOTALS	863,100	37,000

Funds Available	\$ 863,100
Proposed Approp. (Rec. 2)	<u>\$ 37,000</u>
Total Project Budget	\$ 900,100
Proposed Construction Contract	\$ 418,305
Proposed Construction Contingency	\$ 42,000
Proposed Cons. Management PSA	\$ 47,174
Proposed PSA Contingency	<u>\$ 4,800</u>
Total Costs	\$ 512,279

The construction contract, construction management PSA, and contingencies amount to \$512,279. Staff estimates soils/concrete testing to cost approximately \$5,000 bringing the construction total to approximately \$517,279. Although there are sufficient funds in the 301 Capital Improvement Fund to accommodate all construction costs, the sewer work added per Addendum No. 1 should be funded by the 160 Sewer Fund.

- Attachments: 1. Project Location Map
2. Professional Services Agreement

Respectfully submitted,

Concur:

Tristan D. Malabanan
Assistant Engineer

Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted for Fiscal Impact:

Concur:

Viki Copeland
Finance Director

Stephen R. Burrell
City Manager