



CITY COUNCIL AGENDA REPORT

MEETING DATE: August 15, 2006

ITEM NUMBER:

SUBJECT: 2005-2006 CDBG PROJECT: ALLEY NO. 123 - CITY PROJECT NO. 06-09

DATE: JULY 25, 2006

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: ERNESTO MUNOZ, CITY ENGINEER, (714) 754-5343

RECOMMENDATION:

1. Approve Budget Adjustment No. 07-007 (Attachment 1) in the amount of \$25,000.
2. Award a construction contract to Kalban, Inc., 9075 Glenoaks Boulevard, Sun Valley, CA 91352, in the amount of \$187,145.64.
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

BACKGROUND:

Based on the City's Maintenance logs and recommendations from the City's Pavement Management System, Alley No. 123, located between Valencia Street, El Camino Drive, La Salle Avenue, and Mendoza Drive, is in need of reconstruction at this time.

The scope of work for this project, in general, consists of the total removal of the old asphalt roadway and the construction of a new concrete alley structural section. The work also consists of the removal and reconstruction of alley entrances; installation of missing access ramps within the project limits; and all other pertinent and incidental work.

ANALYSIS:

On June 26, 2006, the City Clerk received and opened two (2) bids for this project. The apparent low bidder, Kalban, Inc., submitted a bid of \$187,145.64; which was 44 percent lower than the Engineer's estimate of \$332,942. The average of the two (2) bids received amounted to \$224,456.95. The Bid Abstract is included as "Attachment 2."

The license and references of Kalban, Inc. were checked and staff has found them to be in good standing.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to reject all the bids. If all the bids were rejected, the City would have to re-advertise or cancel the project. Staff believes that re-advertising the project will not result in lower bids, and could in fact result in higher bids due to the escalation in material prices currently occurring in the construction trade.

FISCAL REVIEW:

City Council approved a \$200,000 appropriation in Fiscal Year 05-06 from the Community Development Block Grant (CDBG) Fund for the Valencia Street Alley Project (Alley No. 123). The attached Budget Adjustment, No. 07-007, is needed to provide an additional appropriation of \$25,000 to cover construction management and contingencies for the project. The \$25,000 will be taken from CDBG funds remaining from the 17th Street Improvement Project, which was accepted by City Council in February this year.

LEGAL REVIEW:

Kalban, Inc. has furnished the necessary bonds and insurance, which were approved as to form by the City Attorney. After the award and subsequent execution of the contract, a Notice to Proceed will be issued.

CONCLUSION:

It is recommended that the City Council approve Budget Adjustment No. 07-007 in the amount of \$25,000; award a construction contract to Kalban, Inc. in the amount of \$187,145.64; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

ATTACHMENTS: "1" [Budget Adjustment No. 07-007](#)
 "2" [Bid Abstract](#)

DISTRIBUTION: City Manager
 Assistant City Manager
 City Attorney
 City Clerk
 Staff
 File

File Name Award Alley 123 Report

Date 07-25-06

Time 10:30 a.m.