



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: JULY 7, 2009

ITEM NUMBER:

**SUBJECT:** 2008-2009 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) STREET IMPROVEMENTS PROJECT - CITY PROJECT NO. 09-07

**DATE:** JUNE 25, 2009

**FROM:** PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

**PRESENTATION BY:** PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES

**FOR FURTHER INFORMATION CONTACT:** ERNESTO MUÑOZ, CITY ENGINEER, (714) 754-5335

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## **RECOMMENDATION:**

1. Adopt plans, specifications, and working details for 2008-2009 Community Development Block Grant (CDBG) Street Improvements Project, City Project No. 09-07.
2. Award a construction contract to ICE Engineering, Inc., 2574 Pepperdale Drive, Rowland Heights, California, 91748.
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

Based on staff's observations and recommendations from the City's Pavement Management System, Shalimar Drive (from Pomona Avenue to Placentia Avenue) is in need of pavement rehabilitation at this time. In addition, parkway maintenance will be performed on 18<sup>th</sup> Street (from Pomona Avenue to Placentia Avenue), James Street (from Wallace Avenue to Pomona Avenue), and Wallace Avenue (from 18<sup>th</sup> Street to Shalimar Drive).

Shalimar Drive, Wallace Avenue, James Street, and 18<sup>th</sup> Street will receive localized reconstruction of segments of curb and gutter, concrete sidewalk, and driveway approaches. In addition to this work, the bollards closing Wallace Avenue to traffic at 18<sup>th</sup> Street will be removed, and a new cul-de-sac will be constructed. Furthermore, Shalimar Street will receive full depth removal and reconstruction of the existing asphalt pavement section.

## **ANALYSIS:**

The City Clerk received and opened ten (10) bids for this project on April 22, 2009. ICE Engineering, Inc. was the apparent low bidder with a bid proposal of \$407,473.50. The Engineer's estimate was \$591,455.00; and the average of the ten (10) bids received for this project amounted to \$455,358.52.

An analysis of the bids indicates that the apparent low bidder submitted a proposal that is 30 percent (30%) lower than the Engineer's estimate. The variance between the low bidder and the Engineer's estimate may be attributed to the highly competitive conditions in the construction industry at this time. The Bid Abstract is included as Attachment "1".

The license and references of ICE Engineering, 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 need to readvertise or cancel the project. Staff believes that readvertising the project will not result in lower bids.

**FISCAL REVIEW:**

The City Council approved the use of Community Development Block Grant (CDBG) funds in Fiscal Year 2008-2009 to move forward with the rehabilitation of these street segments. The appropriation of these streets is \$603,812.

**LEGAL REVIEW:**

ICE Engineering, Inc. has furnished the necessary bonds and insurance, which have been 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:**

The advertisement and bid opening for the 2008-2009 CDBG Street Improvements Project, City Project 09-07 has been completed. It is recommended that the City Council adopt the plans, specifications, and working details for said project; award the contract to the apparent low bidder ICE Engineering Inc. in the amount of \$407,473.50; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

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ERNESTO MUÑOZ  
City Engineer

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PETER NAGHAVI, DIRECTOR  
Department of Public Services

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MARC R. PUCKETT  
Director of Finance

ATTACHMENT: "1" [Bid Abstract](#)

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