



# ***CITY COUNCIL AGENDA REPORT***

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MEETING DATE: MAY 1, 2012

ITEM NUMBER:

**SUBJECT:** 2011-2012 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLEY NO. 122 IMPROVEMENT PROJECT — CITY PROJECT NO. 12-02

**DATE:** APRIL 19, 2012

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

**PRESENTATION BY:** RAJA SETHURAMAN, ACTING DIRECTOR, PUBLIC SERVICES DEPARTMENT

**FOR FURTHER INFORMATION CONTACT:** FARIBA FAZELI, INTERIM CITY ENGINEER, (714) 754-5335

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## **RECOMMENDATION:**

1. Adopt plans, specifications, and working details for the 2011-2012 CDBG Alley No. 122 Improvement Project, City Project No. 12-02.
2. Award a construction contract to Sequel Contractors, Inc., 13546 Imperial Highway, Santa Fe Springs, CA 90670, in the amount of \$201,810.00 (base bid).
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

A Citywide Alley Improvement Report was presented to the City Council in September 2007. At that time the Council adopted a City Alley Improvement Priority List to address the City's Alley System beginning with those alleys with the most need of improvement. The City has improved many alleys from the list, and currently at the top of the priority list is Alley No. 122 (between Mission Drive and Valencia Street from Mendoza Drive to La Salle Avenue). Alley No. 122 is located within a low-to-moderate income residential area and is eligible for Community Development Block Grant federal funding.

## **ANALYSIS:**

The pavement rehabilitation process for Alley No. 122 consists of removal of the existing asphalt concrete alley section, the construction of a new Portland Cement Concrete (PCC) pavement section, and other incidental work needed to complete the project in accordance with the contract documents.

The City Clerk received and opened twelve (12) bids for this project on March 22, 2012. Sequel Contractors, Inc. was the apparent low bidder with a base bid proposal of \$201,810.00. The Engineer's estimate was \$234,565.00; and the average of the twelve (12) bids received for this project amounted to \$240,104.69.

An analysis of the bids indicates that the apparent low bidder submitted a proposal for the base bid that is fourteen percent (14%) 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 prevalent in the construction industry at this time. The Bid Abstract is included as Attachment "1".

The license and references of Sequel Contractors, Inc. have been checked and staff has found them to be in good standing. Sequel Contractors, Inc. successfully completed several projects in the City of Costa Mesa. The most recent work included intersection improvements and pavement rehabilitation on East 17th Street (between Orange Avenue and Santa Ana Avenue) in 2007.

**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:**

Funding for this project is available from appropriated CDBG funds in the Fiscal Year 2011-2012 budget.

**LEGAL REVIEW:**

Sequel Contractors, 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 City has received bids for the 2011-2012 Community Development Block Grant (CDBG) Alley No. 122 Improvement Project, City Project No. 12-02. Staff has evaluated all of the bids and recommends that the City Council adopt the plans, specifications, and working details for said project; award the contract to the apparent low bidder Sequel Contractors, Inc. in the amount of \$201,810.00 (base bid); and authorize the Mayor and the City Clerk to execute the Public Works Agreement.



RAJA SETHURAMAN, Acting Director  
Public Services Department



FARIBA FAZELI  
Interim City Engineer

ATTACHMENTS: "1" Bid Abstract

DISTRIBUTION: Chief Executive Officer  
Assistant Chief Executive Officer  
City Attorney  
City Clerk  
Interim Development Services Director  
Staff  
File

CITY OF COSTA MESA  
 DEPARTMENT OF PUBLIC SERVICES  
 2011-2012 CDBG PROJECT: IMPROVEMENT OF ALLEY NO. 122

CITY PROJECT NO. 12-02  
 BID OPENING RESULTS 03-22-2012

<i><b>Bidder</b></i>	<i><b>City</b></i>	<i><b>Total Base Bid</b></i>	<i><b>Total Alternate Bid</b></i>
1. SEQUEL CONTRACTORS, INC.	SANTA FE SPRINGS	\$201,810.00	\$233,538.00
2. NOBEST, INC.	GARDEN GROVE	\$204,000.00	\$256,880.00
3. MARTINEZ CONCRETE	AZUSA	\$206,561.40	\$235,381.00
4. BLACK ROCK CONSTRUCTION	BREA	\$210,000.00	\$368,640.00
5. EBS GENERAL ENGINEERING, INC.	CORONA	\$213,260.00	\$279,360.00
6. ELITE COMPANIES US, INC.	HUNTINGTON BEACH	\$224,167.00	\$220,994.20
7. PALP, INC. DBA EXCEL PAVING COMPANY	LONG BEACH	\$229,414.00	\$232,058.00
8. LA STRADA CONTRACTING COMPANY	ORANGE	\$242,075.05	\$280,148.65
9. KALBAN, INC.	SUN VALLEY	\$251,590.60	\$430,325.00
10. ENCORRE SERVICES, INC.	GLENDALE	\$288,321.00	\$294,931.00
11. SUPERIOR PAVING COMPANY, INC. DBA UNITED PAVING COMPANY	LA MIRADA	\$288,701.25	\$262,261.25
12. GREENLAND CONSTRUCTION, INC.	CANOGA PARK	\$321,356.00	\$290,950.00

Average \$      **240,104.69** \$      **282,122.26**  
 Engineer's Estimate: \$      **234,565.00** \$      **287,445.00**