



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: MARCH 18, 2014

ITEM NUMBER:

**SUBJECT: PARKWAY CONCRETE REPAIR AND NEW SIDEWALK CONSTRUCTION PROJECT  
(PROJECT "A") - CITY PROJECT NO. 13-17**

**DATE: MARCH 6, 2014**

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

**PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR**

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

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## **RECOMMENDATION:**

1. Adopt plans, specifications, and working details for the Parkway Concrete Repair and New Sidewalk Construction Project (Project "A"), City Project No. 13-17.
2. Award a construction contract in the amount of \$497,603.00 to Horizons Construction Co. International, Inc., 432 W. Meats Avenue, Orange, CA 92865.
3. Approve Contract Change Order No. 1 in the amount of \$99,500.00.
4. Authorize the Chief Executive Officer to execute Contract Change Order No. 1.
5. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

The 2013-2014 Street Maintenance Project consists of three distinct phases of work with a combined cost of over \$5.5 million.

Phase 1: Parkway and Concrete Repair Project – includes localized repair of damaged curb, gutter, sidewalk, cross-gutters, driveways, and new sidewalk construction.

Phase 2: Street Rehabilitation Project – includes asphalt concrete mill and overlay of the roadway.

Phase 3: Slurry Seal Project – includes the application of a surface coating and sealing treatment of the roadway.

Concrete improvements located within the City's parkways and streets require ongoing repair and maintenance due to age, damage from maturing trees, poor soil conditions, water intrusion, and traffic loads. This contract is part of the Parkway Improvement Phase of the work for this Fiscal Year's Street Maintenance Project. The list of parkway improvement locations and missing sidewalk locations within the scope of work for this contract is included as Attachment "1".

## **ANALYSIS:**

The overall scope of the 2013-2014 Street Maintenance Project includes the removal and reconstruction of damaged pavement sections, milling and overlaying with new asphalt, and

reconstruction of damaged parkway improvements over the project limits. Part of the work also includes the application of a Type I slurry seal pavement coating, and the replacement of traffic markings, striping, and traffic control. The scope of this contract covers the reconstruction of damaged parkway improvements over the project limits in coordination with the other two phases of work, namely Street Rehabilitation and Slurry Seal. The contractor is required to complete all of the tasks necessary to perform the work as outlined in the contract documents.

The City Clerk received and opened eleven (11) bids for this project on December 16, 2013. Horizons Construction Co. International, Inc. was the apparent low bidder with a bid proposal of \$497,603.00. The Engineer's estimate was \$547,225.00; the average of eleven (11) bids received amounted to \$616,130.07. An analysis of the bids indicates that this apparent low bidder, Horizons Construction Co. International, Inc., submitted a bid proposal that is approximately nine percent (9%) 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 "2".

The total cost of the 2013-2014 Street Maintenance Project is substantially lower than the Engineer's estimate and the funding allocated for the project. The City has identified supplemental work that can be included in this contract to maximize the utilization of available resources to the project. A Contract Change Order No. 1 in the amount of \$99,500.00 (Attachment "3") will provide funding for additional repairs that have been identified by City staff in areas with parkways in immediate need of repair.

The license and references of the apparent low bidder, Horizons Construction Co. International, 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 and canceling the project is not recommended because the identified locations are in need of the proposed maintenance work.

#### **FISCAL REVIEW:**

In Fiscal Year 2013-2014 City Council allocated a total of \$6,800,000 from Gas Tax, Measure "M", and Capital Improvement Funds towards Citywide Street Improvements projects. This appropriation will fully cover this project in the amount of \$497,603.00 and Change Order No. 1 in the amount of \$99,500.00.

#### **LEGAL REVIEW:**

Horizons Construction Co. International, 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:**

The advertisement and bid opening for the Parkway Concrete Repair and New Sidewalk Construction Project (Project "A"), City Project No. 13-17, 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, Horizons Construction Co. International, Inc., in the amount of \$497,603.00; approve Contract Change Order No. 1 in the amount of \$99,500.00; authorize the Chief Executive Officer to execute Contract Change Order No. 1; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

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**ERNESTO MUNOZ**  
Public Services Director

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**FARIBA FAZELI**  
City Engineer

Attachments:           1- [Parkway Locations](#)  
                              2- [Bid Abstract](#)  
                              3- [Change Order No. 1](#)

Distribution:           Chief Executive Officer  
                              Assistant Chief Executive Officer  
                              City Attorney  
                              City Clerk  
                              Staff  
                              File