

# Agenda Report

June 14, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT:** **CONTRACT AWARD TO TORO ENTERPRISES, INC. FOR ANNUAL CITYWIDE STREET RESURFACING AND ADA IMPROVEMENT PROGRAM – FY 2021 PROJECT FOR AN AMOUNT NOT TO EXCEED \$4,825,000**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the project proposed herein to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Title 14, Chapter 3, Article 19, Section 15301, Class 1, minor alterations of existing public facilities involving negligible or no expansion of use beyond that previously existing at the time of the lead agency's determination, and that there are no features that distinguish this project from others in the exempt class, and therefore, there are no unusual circumstances; and
2. i) Accept the bid dated May 24, 2021, submitted by Toro Enterprises, Inc. in response to the plans and specifications for the Annual Citywide Street Resurfacing and ADA Improvement Program – Fiscal Year (FY) 2021, ii) reject all other bids, and iii) authorize the City Manager to enter into a contract for an amount not to exceed \$4,825,000 which includes \$4,498,494 for the base bid plus all additive alternates and \$326,506 as contingency to provide for any necessary change orders.

## **BACKGROUND:**

Annual street resurfacing projects are an integral part of the City's pavement management program. Each year, streets are evaluated and identified for needed pavement preservation and rehabilitation treatments. This project consists of the resurfacing of 10.5 miles of asphalt pavement by using micro-surfacing, a type of pavement preservation, and asphalt overlay treatments. The project scope includes the removal and reconstruction of damaged concrete curb, gutter, sidewalk, curb ramps, and cross gutters; localized pavement reconstruction; grinding of existing asphalt pavement; asphalt rubberized hot mix overlay; adjustment of existing utility manholes; replacement

of traffic signal loop detectors; installation of striping and raised pavement markers; and miscellaneous appurtenant work. A location map showing streets to be paved with this project is attached as Attachment A.

Given the unstable and potentially inflated construction bid pricing due to the pandemic, the project bid package included a "base bid" and a number of 'add alternate bids' which could be included as project budget allows. Under that arrangement, a conservatively estimated portion of resurfacing work is compiled as a "base project". Then several additional segments of resurfacing work, in this case 10 additional segments, are added to the project and set up such that bidders will provide discrete bid prices for each additional resurfacing segment. This ensures a contractor bids his best price for the base work and all additional segments. Bidding the project in this way with additive alternates, helps to ensure we can complete the maximum amount of resurfacing work with the budget available. Based on the bid amounts received, staff is recommending the award of the base project plus all ten additive alternates, the sum of which falls under the project's construction budget of \$4,825,000.

A finding of compliance with the General Plan was previously made and is shown on page 2.1 of the adopted FY 2021 Capital Improvement Program (CIP) budget.

On April 16, 2021, a Notice Inviting Bids for the Annual Citywide Street Resurfacing and ADA Improvement Program – FY 2021 project was published in the local paper as well as posted on PlanetBids. The posting generated notices to all vendors who had previously registered with the City for this particular commodity class. A total of 43 vendors downloaded the specifications of which none were local. A total of six bids were received by the bid opening date, none from local vendors.

Following advertising, bids were received on May 24, 2021, and are as follows for base bid plus all additive alternates:

<u>Bidder</u>	<u>Amount</u>
1. Toro Enterprises, Inc, Oxnard	\$ 4,498,494
2. All American Asphalt, Brea	\$ 4,671,125
3. Sequel Contractors, Inc., Santa Fe Springs	\$ 4,828,260
4. Excel Paving Company, Long Beach	\$ 4,868,881
5. Sully-Miller Contracting, Co., Brea	\$ 5,361,000
6. Hardy & Harper, Inc., Lake Forest	\$ 5,995,469
Engineer's Estimate (Including All Add Alternates)	\$ 4,920,000

The lowest responsive and responsible bid is approximately nine percent lower than the Engineer's Estimate.

It is recommended that Toro Enterprises, Inc. be awarded the contract for this project as they are the lowest responsive and responsible bidder. The proposed contract with Toro Enterprises, Inc. fully complies with the Competitive Bidding and Living Wage

Ordinances. In addition, the proposed contract with Toro Enterprises, Inc. fully complies with the Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014.

The contractor has indicated that the award of this contract will result in no new hires to its present workforce. A Local Preference Provision to recruit Pasadena residents initially and to give them preference, if all other factors are equal, for any new positions for this project was included in the project specifications.

The contract for this project will be set up as follows:

Base Bid plus Additive Alternates	\$4,498,494
Contingency	<u>\$ 326,506</u>
Contract "Not to Exceed" Amount	\$ 4,825,000

A contingency of seven percent is allocated to this contract given possible unforeseen conditions that may be encountered.

Toro Enterprises, Inc. has previously performed satisfactory work for the City for the Alpine Resurfacing project, under a contracted amount of \$755,000 awarded in 2019.

It is anticipated that work will begin in August 2021 and be completed by March 2022.

**COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goal to improve, maintain and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

**ENVIRONMENTAL ANALYSIS:**

The City's Environmental Administrator recommends that the City Council determine the proposed project to be exempt under CEQA in accordance with Title 14, Chapter 3, Article 19, Section 15301, Class 1. This exemption includes the minor alteration of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, and there are no features that distinguish this project from others in the exempt class, and therefore, there are no unusual circumstances.

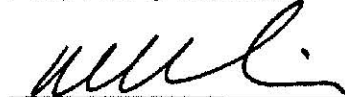
**FISCAL IMPACT:**

The cost of this contract is \$4,825,000 and the total cost of this action will be \$5,344,000. Funding for this action will be addressed by the utilization of the budgeted appropriations in the Annual Citywide Street Resurfacing and ADA Improvement Program – FY 2021 (73932) CIP project. It is anticipated that all of the cost will be spent in FY 2022.

The following table represents a project summary.


Base Bid plus Additive Alternates	\$4,498,494
Contingency Allowance	\$ 326,506
Contract Administration/Inspection/Material Testing	\$ 519,000
<b>Total Fiscal Impact</b>	<b>\$ 5,344,000</b>

Respectfully submitted,



KRIS MARKARIAN, P.E.  
Acting Director of Public Works

Prepared by:

  
Brent Maue, P.E.  
Assistant City Engineer

Approved by:

  
STEVE MERMELL  
City Manager

Attachment A – Streets Location Map