

# Agenda Report

June 20, 2022

**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 2022 PROJECT FOR AN AMOUNT NOT-TO-EXCEED \$2,725,302**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the contract proposed herein to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Section 15301 Existing Facilities and Section 15061(b)(3), the common sense exemption (formerly general rule), 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 19, 2022, submitted by Toro Enterprises, Inc. in response to the project plans and specifications for Annual Citywide Street Resurfacing and ADA Improvement Program, ii) reject all other bids, and iii) authorize the City Manager to enter into a contract for an amount not-to-exceed \$2,725,302, which includes the base contract amount of \$2,271,085 and a contingency of \$454,217 to provide for any necessary change orders.

## **BACKGROUND:**

Annual street resurfacing projects are an integral part of the City's pavement maintenance program. The selection of street segments for resurfacing is based on a citywide survey and pavement condition assessment performed in 2019 and prioritized as part of City's Pavement Management Program. The Program systematically evaluates and analyzes collected data to generate a Pavement Condition Index (PCI) rating for each street segment in the City and create a 5-year resurfacing priority list to ensure maximum benefit and efficient use of project budget. Factors considered in addition to a street's PCI include public comments received and other proposed utility or development work within the public right-of-way.

This project consists of resurfacing approximately three miles of asphalt pavement by using asphalt rehabilitation treatments. Additionally, the streets being resurfaced may receive the following improvements: removal and reconstruction of damaged concrete curb, gutter, sidewalk, curb ramps, driveway aprons, and cross gutters; adjustment of existing utility manholes; replacement of traffic signal loop detectors; installation of raised pavement markers; installation of concrete pad for bus stops at five locations, and miscellaneous appurtenant work. See Attachment A for a list of streets to be resurfaced.

A finding of compliance with the General Plan was previously made and is shown on page 2.1 of the adopted FY 2022 Capital Improvement Program (CIP) budget.

On April 21, 2022, a Notice Inviting Bids for the Annual Citywide Street Resurfacing and ADA Improvement Program was published in the local paper as well as posted on PlanetBids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 40 vendors downloaded the contract documents, of which none were local. A total of four bids were received by the bid opening date, none from local vendors.

Following advertising, bids were received on May 19, 2022, and are as follows:

Bidder	Amount
1. Toro Enterprises, Inc., Oxnard	\$2,271,085
2. Hardy & Harper, Inc., Lake Forest	\$2,580,000
3. Sequel Contractors, Inc., Santa Fe Springs	\$2,716,612
4. All American Asphalt, Corona	\$3,067,352
<b>Engineer's Estimate</b>	<b>\$2,400,000</b>

The lowest responsible and responsive bid received is within six percent of the Engineer's Estimate.

On May 24, 2022, the City received a protest letter from Hardy & Harper, Inc. on the basis that the apparent low bidder did not comply with bid instructions. Upon consultation with the City Attorney's Office and the Finance Department, the protest was rejected as the irregularity was determined to not be of material significance and therefor waived per provisions of the Bid Specifications. The contract award to Toro Enterprises, Inc. was upheld.

Therefore, 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 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 the present workforce. This contract is consistent with the City's goal to promote local

business participation and its local hiring program. In accordance with Local Preference provisions of the contract, the contractor is encouraged to recruit Pasadena residents initially and to give them preference, if all other factors are equal, for any new positions generated from this contract.

Toro Enterprise, Inc. has satisfactorily performed work for the City in the past, including FY 2021 Annual Citywide Street Resurfacing and ADA Improvement Program for a contract amount of \$4,825,000. Staff has confirmed the contractor's license, their Department of Industrial Relations status is in good standing, and they received favorable reference checks from other agencies.

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

Base Bid	\$ 2,271,085
Contingency Allowance	<u>\$ 454,217</u>
Contract Not-to-Exceed Amount	\$ 2,725,302

A contingency of 20 percent is allocated to this contract given possible unforeseen conditions and with competitive unit prices for resurfacing, additional street segments will be paved as budget allows. It is anticipated that construction will begin in July 2022 and be completed in February 2023.

#### **COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goals to improve, maintain and enhance public facilities and infrastructure, and improve mobility and accessibility throughout the City.

#### **ENVIRONMENTAL ANALYSIS:**

The contract award has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in accordance with Section 15301 Existing Facilities and Section 15061(b)(3), the common sense exemption (formerly general rule). There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

**FISCAL IMPACT:**

The total cost of this contract including contingency is \$2,725,302 and the total cost of this action is not expected to exceed \$3,055,000. Funding for this action will be addressed by the utilization of the budgeted appropriations in the Annual Citywide Street Resurfacing and ADA Improvement Program – Fiscal Year 2022 (73933) project. It is anticipated all costs will be expended in FY 2023.

The following table represents a project summary.

Base Bid	\$2,271,085
Contingency	\$ 454,217
Contract Administration/Inspection/Materials Testing	\$ 329,698
<b>Total Fiscal Impact</b>	<b>\$3,055,000</b>

Respectfully submitted,



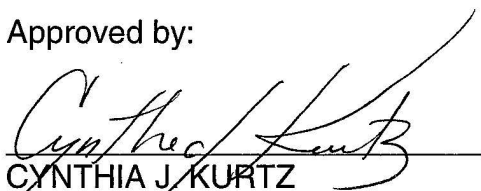
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CYNTHIA J. KURTZ  
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Attachment A - Project Location Map