

# Agenda Report

July 10, 2023

**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, FY2023 AND FY2024 COMBINED FOR AN AMOUNT NOT-TO-EXCEED \$8,877,539**

## **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 Title 14, Chapter 3, Article 19, Section 15301, Class 1, and Section 15303, Class 3, and that there are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances; and
2. Accept the bid dated May 18, 2023, submitted by Toro Enterprises, Inc. in response to the plans and specifications for Annual Citywide Street Resurfacing and ADA Improvement Program, FY2023 and FY2024, reject all other bids, and authorize the City Manager to enter into a contract for an amount not-to-exceed \$8,877,539, which includes the base contract amount and a contingency of \$422,740 to provide for any necessary change orders.

## **BACKGROUND:**

The City's annual street resurfacing projects are an integral part of the City's Pavement Management Program (PMP). The street segments selected for resurfacing are based on a citywide survey and pavement condition assessment performed every five to seven years. Last performed in 2019, this assessment serves as the basis of the City's PMP which systematically evaluates and analyzes data collected to generate a pavement condition index (PCI) rating for each street segment in the City. A 5-year resurfacing priority list is then generated utilizing several recorded parameters, which emphasizes a "right treatment at the right time" approach to maximize efficient use of dollars spent. Additionally, staff performs site inspections and in-situ materials testing prior to finalizing the annual resurfacing list of streets.

This contract consists of resurfacing approximately 16 centerline miles of asphalt pavement, including 4.5 miles of asphalt overlay and 11.5 miles of micro-surfacing. In addition to pavement resurfacing, the scope of work for each street segment may include the following improvements, as necessary: removal and reconstruction of damaged concrete curb, gutter, sidewalk, and curb ramp; adjustment of existing utility manholes; replacement of traffic signal loop detectors; installation of raised pavement markers; and miscellaneous appurtenant work. See Attachment A for a location map and Attachment B for a list of streets to be resurfaced as part of this contract.

The prioritized street segments included under this single contract combines the FY2023 budgeted project with the FY2024 project to maximize cost effectiveness through economies of scale. Additionally, since the unit prices submitted by the lowest responsive bidder were favorable given today's inflationary construction market, staff is proposing to utilize \$1.7 million of the one-time \$6 million appropriated by City Council for FY2024 to fund eight miles of micro-surfacing (included in the number of miles listed above). Finally, this contract also includes resurfacing and restriping of the Lamanda Park Library parking lot, as part of the Parking Lot Improvements at City Facilities project, due to the poor condition of the existing parking lot pavement.

A finding of compliance with the General Plan was previously made and is shown in the Fiscal Year 2024-2028 Capital Improvement Program (CIP) budget, under *Annual Citywide Street Resurfacing and ADA Improvement Program, FY 2023/2024*.

On April 13, 2023, a Notice Inviting Bids for Annual Citywide Street Resurfacing and ADA Improvement Program, FY 2023/2024 was published in the *Pasadena Journal* as well as posted on OpenGov. The posting generated notices to all vendors who had previously registered with the City for this particular commodity class. A total of 34 vendors downloaded the contract documents, of which one was local. A total of four bids were received by the bid opening date, none from local vendors.

Following advertising, bids were received on May 18, 2023, and are as follows:

<u>Bidder</u>	<u>Base Bid + All Additive Alternates</u>
1. Toro Enterprises, Inc, Oxnard	\$8,780,730
2. Sully-Miller Contracting Company, Brea	\$10,300,750
3. All American Asphalt, Brea	\$11,256,941
4. Hardy and Harper, Inc., Lake Forest	\$11,800,000
Engineer's Estimate (Including All Add Alternates)	\$8,500,000

The lowest bid received is within four percent of the Engineer's Estimate.

This project bid package included a "base bid" scope of work and three "additive alternate bids" for additional work which can be awarded as the project budget allows. Under this arrangement, a conservatively estimated portion of work was compiled as a "base project". Then, three additional resurfacing locations were added to the project such that

bidders provided bid prices for each of the additional locations. The basis of award for the lowest responsive and responsible bidder is determined by the sum of "base bid" plus all "additive alternates" ensuring bidders bid their best price regardless of the combination of alternates awarded. Based on the bids received, staff is recommending the award of the base bid scope of work plus one of the three additive alternates, totaling \$8,454,799.

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 14, 2014. The contractor has indicated that the awarding of this contract will result in no new hires to the present workforce. In accordance with the 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 Enterprises, Inc. has previously performed work for the City on the last two Annual Citywide Street Resurfacing and ADA Improvements projects, FY2021 and FY2022 totaling \$7,550,302. Staff has confirmed the contractor's license and their Department of Industrial Relations status is in good standing. The contractor received favorable reference checks from other agencies.

The contract for this project will be set as follows:

Base Bid plus Additive Alternate (2)	\$8,454,799
5% Contingency Allowance	<u>\$ 422,740</u>
Contract Not-to-Exceed Amount	\$8,877,539

A contingency of 5 percent is allocated to this contract to address any unforeseen conditions and resurface additional streets as the budget allows. It is anticipated that construction will begin in August 2023 and be completed in April 2024.

**COUNCIL POLICY CONSIDERATION:**

This project is consistent with the City Council's goals to improve, maintain and enhance public facilities and infrastructure, and to improve mobility and accessibility throughout the City. 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 contract award has been determined 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, and Section 15303, Class 3. Class 1

consists of minor alterations of existing facilities involving negligible or no expansion of use. Class 3 consists of construction of limited number of new, small facilities or structures. There would be no expansion of use of the street network as a result of the project, and therefore, there are no unusual circumstances.

**FISCAL IMPACT:**


The total cost of this contract including contingency is \$8,877,539 and the total cost of this action is not expected to exceed \$9,160,000. Funding for this action will be addressed by the utilization of the budgeted funding sources (Road Maintenance and Rehabilitation - SB1, Gas Tax and General Fund) in the following project accounts:

Project	Budget
Citywide Street Resurfacing Program FY 2023/2024 (73938)	
• FY 23 Citywide Street Resurfacing Program	\$2,300,000
• FY 24 Citywide Street Resurfacing Program	\$5,000,000
• Portion of one-time \$6,000,000 appropriation	\$1,700,000
Parking Lot Improvements at City Facilities, FY 2024-2028 (71927) (Library Services Fund)	\$ 160,000
<b>TOTAL</b>	<b>\$9,160,000</b>


It is anticipated all costs will be expended in FY2024. The following table represents a project summary.

Base Bid Plus Additive Alternate 2	\$ 8,454,799
Contingency	\$ 422,740
Contract Administration/Inspection/Materials Testing	\$ 282,461
<b>Total Fiscal Impact</b>	<b>\$ 9,160,000</b>


Respectfully submitted,

  
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Approved by:

  
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Attachment A – Location Map

Attachment B – List of Streets for Overlay and Microsurfacing