

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Yugal K. Lall, City Engineer/Public Works Director
Prepared by Ken Gilbert, Public Works Consultant 

DATE: July 26, 2006 (Council Meeting 08/02/06)

SUBJECT: Consider Bids Received for the Construction of the 2006 Pavement Rehabilitation Project

BACKGROUND

One of the elements of the City's pavement maintenance program is the periodic application of a protective slurry seal and/or overlay to the pavement surface of all of the streets in the City. The program objective is to maintain a bi-annual program (construct a project every other year) in which each project addresses approximately one-third of the residential streets in the City. In this way, every residential street in the City should be slurry sealed or overlaid once every six years. Unfortunately, our bi-annual schedule has slipped a year, since the last slurry application was in 2003.

On June 21, 2006, the City Council authorized the solicitation of construction bids for this project, setting July 20, 2006, as the bid opening date.

DISCUSSION**A. Project Description and Scope**

The project plans and specifications identify two types of pavement rehabilitation: Type II Slurry Seal and ARAM (Asphalt-Rubber Aggregate Membrane). A brief description of these pavement rehabilitation methods is as follows:

1. **Slurry Seal:** The slurry seal operation requires pavement preparation (crack filling, etc.), the application of Type II Slurry and the re-striping of the resurfaced street.
2. **ARAM:** An ARAM pavement surface is a type of a cape seal requiring three steps: A) the application of an asphalt (oil-based) rubber binder which is sprayed onto the existing pavement, followed immediately by B) the spreading of a pre-coated rubber/gravel aggregate which is then "rubber-tired" rolled and embedded into the oil binder, followed one or two days later by C) a Type II Slurry Seal. An ARAM pavement surface is typically used to address pavement demonstrating more severe distress, and at a lower cost than an asphalt overlay or reconstruction.

B. Bid Results

The bid documents were mailed to the plan rooms and the Notice Inviting Bids mailed to over 20 contractors. The bid documents were requested from 13 contractors, of which 2 were returned. Bids were received and opened on July 20, 2006. At the time of the bid opening the apparent low bidder was American Asphalt South. Upon reviewing the bids it was determined that there was an error in the computations in their bid and that the actual apparent low bidder was Manhole Adjusting. The Bid results are as follows:

<u>Name</u>	<u>Bid Amount</u>
1. Manhole Adjusting, Inc., Pico Rivera, CA	\$3,079,907.06
2. American Asphalt South, Inc., Fontana, CA	\$3,113,508.50
** <i>Engineers Estimate</i>	\$1,642,037.00

C. Notice of Exemption

A Notice of Exemption for the project (Attachment 1) has been prepared and submitted to the County Clerk for recordation.

D. Fiscal Impact

1. **Construction Cost Estimate:** If a contract were to be awarded to the apparent low bidder, estimated construction costs would be as follows:

<u>Description</u>	<u>Amount (\$)</u>
Bid Amount	3,079,907
Constr Contingency (approx. 10%)	300,000
Total	3,379,907

2. **Total Project Cost Estimate:** If a contract were to be awarded to the apparent low bidder, total project costs are estimated to be as follows:

<u>Element</u>	Prior Years	This Fiscal Year	Total (\$)
Design	13,910	0	13,910
Construction	-	3,379,907	3,379,907
Constr Mngmnt/Inspection	-		120,000
Total	13,910	3,379,907	3,513,817

3. **Budget Adjustment:** If a contract were to be awarded to the apparent low bidder, it would be necessary to amend the FY 06/07 Budget to fully fund the project. A summary of the budget change necessary for such an action, is as follows:

<u>Element</u>	Current FY06/07 Budget (\$)	Proposed Change (\$)	Proposed Revised Budget (\$)
Project 8002			
Design	252	0	252
Construction	1,285,000	2,094,907	3,379,907
Inspection	70,000	50,000	120,000
Total	1,355,252	2,144,907	3,500,159
Prior Year Expenses	13,910		13,910
	1,369,162	2,144,907	3,514,069

Note: The funding source for this project is Fund 2603: TDA Article 8 (LTF).

4. **Funding Shortfall:** There are insufficient unappropriated reserves in Fund 2603 to fund this project for amount stated above.

E. Bid Analysis

The amounts for certain bid items set forth in the bids received, were far greater than the engineer's estimate (see Attachment 2 for details). A brief description of the differences is as follows:

Staff have been advised that contractors are extremely busy at this time and are very selective in the jobs they bid, as such, this could be a main reason for the high bids that were received.

- **Slurry Seal:** The amounts bid for slurry seal were in excess of \$200 per Extra Long Ton. These amount far exceed the \$90/ ton bid amounts approved in prior contracts. Staff was aware of rising costs for petroleum based products, but did not expect the bids to more than double.
- **ARAM:** The bid amount for this work far exceeded staff's cost estimate. It may be possible to revise the Scope of Work to lower these costs.

- **Asphalt Overlay:** The plans and specifications included a requirement that all cul-de-sacs and certain approaches to Stop intersections which were to receive ARAM pavement rehabilitation, receive an asphalt overlay instead. This provision was included in order to avoid delimitation problems known to occur in those areas. It may be possible to reduce or eliminate this requirement.
- **Surface Preparation:** The bid amount for this work far exceeded staff's expectations. It may be possible to revise the Scope of Work to lower these costs.

F. Project Re-Design

It is recommended below for the Scope of Work in the project to be revised to reduce project costs.

G. Schedule

It is recommended below that the bids be rejected, the project redesigned and re-advertised. If this action is taken, the anticipated project schedule would be as follows:

Date	Event / Action
09/20/06	Re-design completed and presented to City Council for approval
09/22/06	Plans on sale
10/31/06	Bids Open
11/15/06	Award Contract
01/02/07	Start construction

STAFF RECOMMENDATION

Reject all bids and direct staff to re-design the project to lower project costs.

Attachments:

Attachment 1: Notice of Exemption

Attachment 2: Bid Results/Analysis



NOTICE OF EXEMPTION CITY OF MOORPARK

799 MOORPARK AVENUE
MOORPARK, CA 93021
(805) 517-6200

TO: X County Clerk
County of Ventura
800 S. Victoria Ave. Loc.#1210
Ventura, CA 93009-1210

 State Clearinghouse
Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

Submission of this form is optional. Local agencies or private individuals may file this form with the County Clerk (Public Resources Code Sec. 21152.b). Filing of this notice starts a 35-day statute of limitations on court challenges to project approval (Public Resources Code Sec. 21167.d.). Failure to file this notice results in the statute of limitations being extended to 180 days.

Project Title: 2006 Pavement Rehabilitation Project

Project Type: Private Project X Public Project

Project Location: Various streets throughout the City of Moorpark

City: Moorpark Zip Code: 93021 County: Ventura

Description of Nature, Purpose and Beneficiaries of Project: Ongoing maintenance of paved streets including the application of slurry seal and ARAM pavement surface.

Name of Public Agency Approving Project: City of Moorpark Date of Approval: June 21, 2006

Name of Person/Agency Carrying Out Project: Yugal Lall, P.E., Director of Public Works and City Engineer

Exempt Status (check one):

 Ministerial (Sec. 15073)
 Declared Emergency (Sec. 17071.a.)
 Emergency Project (Sec. 15071.b. and c.)
 X Categorical Exemption (state type and section)
 General Rule Exemption

Section 15301 Class 1 Exemption

Reasons Why Project is Exempt: Involves ongoing maintenance of existing public facilities, without expansion or other Alterations.

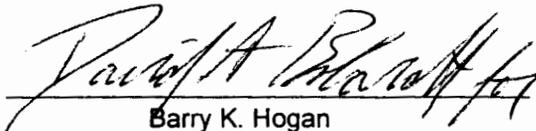
Contact Person: Yugal Lall, P.E. Phone: (805) 517-6255 Ext.:

If filed by Applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Date Filed: July 6, 2006

Signature:


Barry K. Hogan

Title: Community Development Director

Bid Opening:
 July 20, 2006

Bidder >>>>

Name:
 Address:
 Cit, State:
 Tel. No.:
 Contact Person:

Engineer's Estimate

Vendor 1

Manhole Adjusting, Inc.
 9500 Beverly Road
 Pico Rivera, CA 90660
 (323) 558-8000
 Jennifer Tan

Vendor 2

American Asphalt South, Inc.
 14436 Santa Ana Avenue
 Fontana, CA 92337
 (909) 427-8276
 Roseann Long

Item	Description	Bidder >>>>		Engineer's Estimate		Vendor 1		Vendor 2	
		Est Qty	Units	Unit Cost	Total Bid	Unit Cost	Total Bid	Unit Cost	Total Bid
1	Traffic Control	1	LS	30,000.00	30,000.00	15,000.00	15,000.00	15,000.00	15,000.00
2	Stormwater	1	LS	10,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00
3	Surface Preparation	1	LS	50,000.00	50,000.00	189,000.00	189,000.00	220,975.00	220,975.00
4	AC Overlay - Cul-de-sacs	19,300	SY	10.00	193,000.00	24.90	480,570.00	21.38	412,634.00
5	AC Overlay - STOP Areas	4,000	SY	10.00	40,000.00	34.00	136,000.00	29.47	117,880.00
6	Cape Seal (ARAM)	242,734	SY	4.00	970,936.00	6.59	1,599,617.06	7.25	1,759,821.50
7	Slurry (Type II)	2,300	ELT	105.00	241,500.00	221.38	509,174.00	201.25	462,875.00
8	Adjust Manhole	38	EA	500.00	19,000.00	350.00	13,300.00	385.00	14,630.00
9	Adjust Valve Cans	73	EA	200.00	14,600.00	395.00	28,835.00	434.00	31,682.00
10	Striping	1	LS	70,000.00	70,000.00	90,000.00	90,000.00	66,000.00	66,000.00
11	Loops	20	EA	100.00	2,000.00	400.00	8,000.00	330.00	6,600.00
12	Caltrans Permit	1	LS	1,000.00	1,000.00	410.00	410.00	410.00	410.00
13	Release	1	LS	1.00	1.00	1.00	1.00	1.00	1.00
Total					1,642,037.00		3,079,907.06		3,113,508.50