



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** March 8, 2021
FROM: Matthew Bronson, City Manager
PREPARED BY: Greg Ray, Public Works Director/City Engineer
SUBJECT: Award of Construction Contract for Oak Park Boulevard and West Grand Avenue Intersection Improvements (CIP 2283-1)

RECOMMENDATION

Award a contract for construction of CIP 2283-1 Oak Park and West Grand Avenue Intersection Improvements to Souza Construction Inc., in the amount of \$382,427.50 for the Base Bid and issue a change order to reduce the project scope; authorize the City Manager to sign and affirm construction and construction management change orders up to an aggregate of \$41,500; and authorize the Mayor to execute the contract on behalf of the City.

BACKGROUND

The Council identified Public Safety and Streets and Other Capital Improvements as Major City Goals for FY 2020-21 along with Pedestrian and Bicycle Safety as another Council Goal. On June 17, 2019, the Council approved award of a design contract to develop street repair project designs and bid documents for North 4th Street from West Grand Avenue to Ocean View Avenue, South Oak Park Boulevard from West Grand Avenue to Mentone Avenue, and West Grand Avenue from 11th Street to Oak Park Boulevard with direction to complete the design on South Oak Park Boulevard first. On March 2, 2020, staff presented an initial design to the Council and, based on input received from the Council, staff directed GHD Inc. to prepare striping plans for South Oak Park Boulevard that included a buffered Class II bike lane. This design effort prompted staff to recommend a related project to improve the intersection of Oak Park Boulevard and West Grand Avenue to tie in with the new striping and improvements on South Oak Park Boulevard and the Council concurred with this intersection project.

Bids for this project were opened on February 4, 2021 with three bids received ranging from \$382,427.50 to \$524,497. With the addition of construction management costs and potential change orders, the project cost exceeded the available budget of \$480,000. To bring the project within budget, staff evaluated the plans and modified the project scope to delete paving in the middle of the intersection partly because this area received an overlay in 2015. Staff is recommending to award to the low bidder, Souza Construction Inc., and immediately negotiate a change order to reduce the project scope. The new contract amount following this change order is anticipated to be \$275,886.50.

Staff has completed a review of Souza Construction Inc.'s, qualifications and capability to complete the project and is recommending the Council award the construction contract to them. Pending Council award, construction is anticipated to begin in April and last approximately two months. Traffic control and public communication will be an important part of this project given the traffic volume at this intersection.

FISCAL IMPACT

This project is funded primarily with SB 1 grant funding and the City's General Fund. Staff is recommending the Council award to Souza Construction, Inc., in the amount of \$382,427.50 and authorize the City Manager to approve construction contract and construction management change orders, if necessary, up to an additional \$41,500. Staff will execute a change order with the contractor following contract award which will lower the contract amount to \$275,886.50.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Award the contract for construction of CIP 2283-1 Oak Park and West Grand Avenue Intersection Improvements to Souza Construction Inc., in the amount of \$382,427.59 for the Base Bid and issue a change order to reduce the project scope; authorize the City Manager to sign and affirm construction and construction management change orders up to an aggregate of \$41,500; and authorize the Mayor to execute the contract on behalf of the City; and authorize the Mayor to execute the contract on behalf of the City; or
2. Delay award of the project and provide additional direction to staff; or
3. Reject all bids, modify the project, and re-advertise for bids as soon as possible.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

Attachments

1. Bid results

City of Grover Beach Bid Opening Results

Bid Opening Date: Thursday, February 4, 2021 @ 2:00 p.m.

Bids for: Major Street Maintance (Grand & Oak Park Intersection) CIP 2283-1

Sealed Bids Received from:

No.	Company Name & Address	Total Base Bid (Page 6)
1	PAPICH CONSTRUCTION, INC 398 Sunrise Terrace Arroyo Grande, CA 93420	\$499,999.99
2	CALPORTLAND CONSTRUCTION P.O. Box 1280 Santa Maria, CA 93456	\$524,497.00
3	SOUZA CONSTRUCTION P.O. Box 3810 San Luis Obispo, CA 93403	\$382,427.50
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5		
6		
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*Bid results are subject to verification by engineering.