



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** January 22, 2019

FROM: Matthew Bronson, City Manager

PREPARED BY: Greg Ray, Public Works Director/City Engineer

SUBJECT: Award of Construction Contract Measure K-14 Street Improvements
(CIP 2295-8, Atlantic City / Park View / 1st Street / 2nd Street /
Beckett)

RECOMMENDATION

Award the contract for construction of CIP 2295-8 as part of the Measure K-14 Street Rehabilitation Program to Souza Construction Inc., in the amount of \$1,399,826.50 for the Base Bid; authorize the City Manager to sign and affirm construction and construction management change orders up to an aggregate of \$276,815.30; and authorize the Mayor to execute the contract on behalf of the City.

BACKGROUND

The Council identified Street Rehabilitation and Related Infrastructure as one of the Council's Major Goals for 2018-19. Voters approved Measure K-14 in November 2014 which authorizes the sale of up to \$48 million in bond funds for repair of residential streets. The Council issued the first \$13 million in bond funding in 2015 and 2016 and the Council approved another \$15 million in bond funding in 2017. The first six Measure K-14 funded projects are complete and have provided comprehensive maintenance and repair of 154 City blocks which represents about 40% of all local City streets. Measure K funds have also been expended on localized repairs in severely damaged sections of streets throughout the city.

CIP 2295-8 includes 16 blocks of street rehabilitation on five streets selected by the Council at their May 21, 2018 meeting. The streets include Atlantic City Avenue (eight blocks), Park View Avenue (four blocks), Beckett Avenue (one block), 1st Street (two blocks), and 2nd Street (two blocks). The City hired design consultant RICK Engineering to develop the project bid documents which depict the street improvements, mandated accessibility upgrades, and relocation of water meters where necessary on the street segments listed above. The bid documents also include a separate line item for water line work to connect nine residences (on Atlantic City Avenue from Front Street to North 2nd Street) to the eight-inch water main and abandon an outdated two-inch water main. This work is recommended prior to repaving to eliminate the risk of utility trenches in the new pavement should a property develop soon after paving is complete.

Bids for CIP 2295-8 were opened on January 3, 2019. The City received eight bids ranging from \$1,399,826.50 to \$1,968,200.00 (this includes a portion of water line work). The Engineer's Estimate was \$1,646,380.00. The lowest responsive and responsible bidder is Souza Construction Inc., from San Luis Obispo, with a bid of \$1,399,826.50. 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 the Council's award of construction contract, preliminary construction on this project is expected to begin in February 2019 and paving work is expected to begin by June 2019. The actual project schedule will be determined following award of the construction contract.

FISCAL IMPACT

The majority of the project can be funded with Measure K-14 funds. Measure K funds cannot be used for water system upgrades so the Water Enterprise Fund will be used for the \$15,750 cost of this work. The total project cost includes the lowest bid plus soft costs and contingency as identified above for a total of \$1,399,826.50 to be awarded to Souza Construction Inc.. Staff is also recommending the Council authorize the City Manager to approve construction contract and construction management change orders, if necessary, up to an additional \$276,815.30.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Award the contract for construction of CIP 2295-8, the Measure K-14 Street Rehabilitation Program, to Souza Construction Inc., in the amount of \$1,399,826.50 for the Base Bid; authorize the City Manager to sign and affirm construction and construction management change orders up to an aggregate of \$276,815.30; 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. Contractors who submitted a bid were sent a copy of the meeting agenda and this staff report.

ATTACHMENTS

1. Bid Results
2. Map of streets included in CIP 2295-8

City of Grover Beach Bid Opening Results

Bid Opening Date: Thursday, January 3, 2019 at 2:00 p.m.

Bids for: Measure K-14 Street Rehabilitation Repair Project, CIP 2295-8

Sealed Bids Received from:

No.	Company Name	Total Base Bid (Page 7)
1	Souza Construction Inc. P.O. Box 3810 San Luis Obispo, CA 93403	\$1,399,826.50
2	V. Lopez Jr. & Sons General Engineering Contractors, Inc. P.O. Box 488 Santa Maria, CA 93456	\$1,624,995.20
3	R. Burke Corporation P.O. Box 957 San Luis Obispo, CA 93406	\$1,459,741.50
4	S. Chaves Construction, Inc. 11545 Los Osos Valley Road, #C-3 San Luis Obispo, CA 93405	\$1,600,211.50
5	Papich Construction, Inc. 398 Sunrise Terrace Arroyo Grande, CA 93420	\$1,599,000.00
6	JJ Fisher Construction, Inc. P.O. Box 2219 Nipomo, CA 93444	\$1,677,218.25
7	California Highway Construction Group, Inc. 1647 Willow Pass Road, #150 Concord, CA 94520	\$1,968,200.00
8	Granite Construction Company P.O. Box 6744 Santa Barbara, CA 93160	\$1,740,367.00

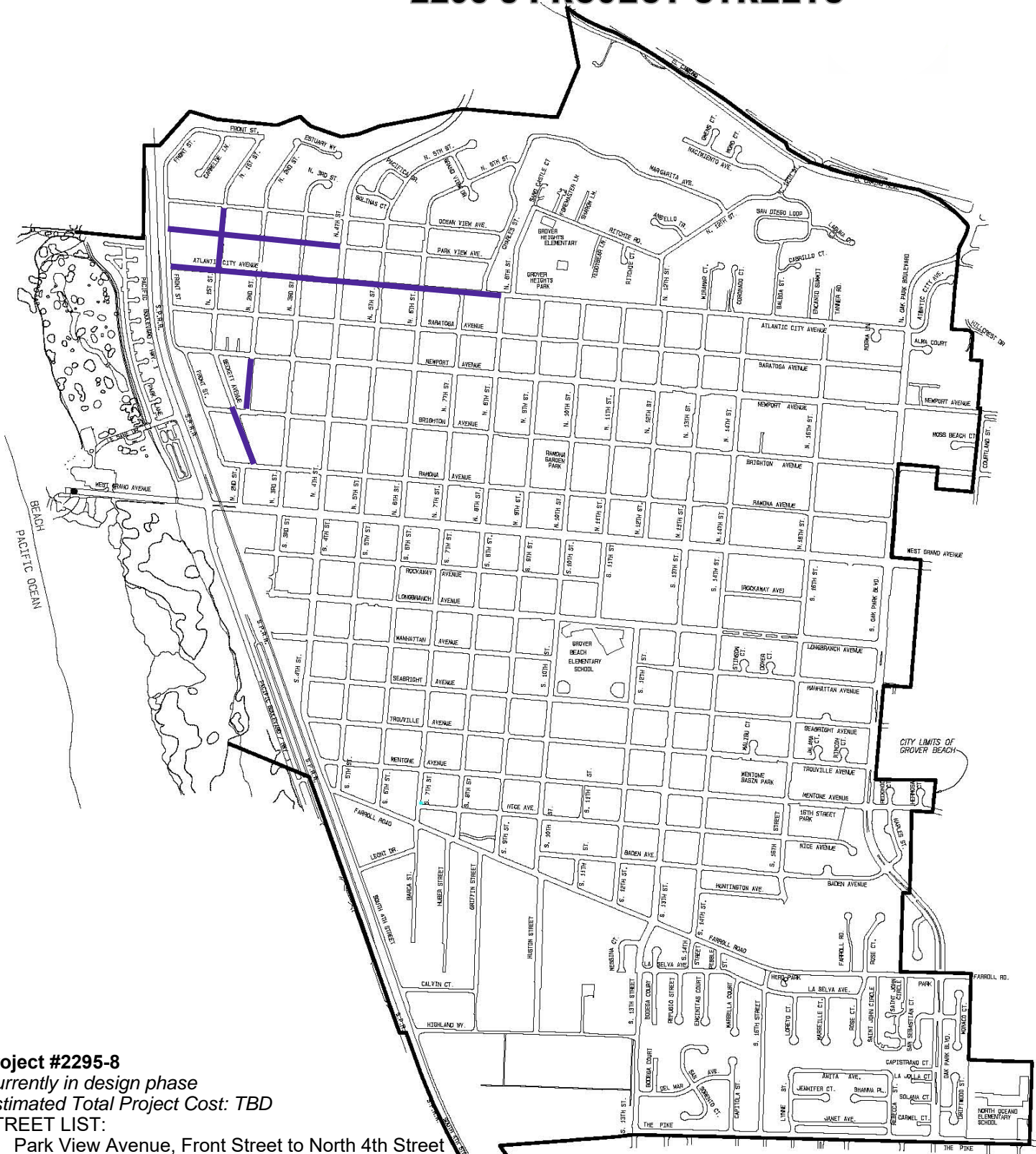
***Bid results are subject to verification by engineering.**



City of Grover Beach

Measure K-14 Street Rehabilitation & Repair Program

2295-8 PROJECT STREETS



Project #2295-8
 Currently in design phase
 Estimated Total Project Cost: TBD
STREET LIST:

1. Park View Avenue, Front Street to North 4th Street
2. Beckett Avenue, Brighton Avenue to Ramona Avenue
3. 1st Street, Ocean View Avenue to Atlantic City Avenue
4. North 2nd Street, Brighton Avenue to Newport Avenue
5. Atlantic City Avenue, Front Street to North 8th Street