



## Legislation Text

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**File #:** 19-0077, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Stephanie Katsouleas, Public Works Director

Prem Kumar, City Engineer

Adilia Miller, P. E., Senior Civil Engineer

**SUBJECT:**

Resolution No. 19-0021: 1) Awarding a Construction Contract to American Asphalt South, Inc. for the Slurry Seal and Asphalt Rubber Aggregate Membrane (ARAM) Project in Areas 4, 5, and 6 for \$1,069,544; 2) Authorizing the City Manager to Approve Additional Work, if Necessary, for up to \$85,456; and 3) Approving the Specifications for Slurry Seal and ARAM Project (Public Works Director Katsouleas).

**ADOPT RESOLUTION NO. 19-0021**

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**RECOMMENDATION:**

Staff recommends City Council adopt Resolution No. 19-0021 (Attachment):

1. Awarding a construction contract to American Asphalt South, Inc. for \$1,069,544 and authorizing the City Manager to execute the contract (Attachment);
2. Authorizing the City Manager to approve additional work, if necessary, for up to \$85,456; and
3. Approving the specifications for the Slurry Seal and Asphalt Rubber Aggregate Membrane (ARAM) Project within slurry seal areas 4, 5, and 6 (Attachment).

**FISCAL IMPLICATIONS:**

The Slurry Seal and ARAM Project is in the Fiscal Year (FY) 2018-19 approved Capital Improvement Program and has sufficient funds available to: 1) complete the Base Bid scope of work for \$1,069,544, and 2) provide for additional unforeseen work, if necessary, for up to \$85,456. Additionally, the Budget and Expenditure Summary is attached (Attachment).

**BACKGROUND:**

The City of Manhattan Beach is responsible for the repair and maintenance of approximately 100.1 centerline miles of streets, collectively one of the City's most valuable assets. On an annual, rotating basis, the City implements a slurry seal program in seven zones throughout the City (Attachment). This year, the City is focusing its slurry seal efforts on all of Area 5, and portions of Area 4 and 6 with the funds available in the slurry seal budget. It is worth noting that some streets in Area 4 will not be slurried because they are either in the process of or will soon be resurfaced in 2019 (e.g., Liberty

Village and Marine Avenue).

Slurry Seal is a mixture of fine aggregates and emulsified asphalt. The slurry seal is applied in liquid form and dries in approximately four hours depending on temperature and humidity. This coating increases pavement life by mitigating water intrusion and improving skid resistance. The work includes filling potholes, depressions and cracks prior to application of the slurry seal. This preliminary work should take no more than one day for each street segment treated, thus minimizing inconvenience to residents.

In addition to the slurry seal application, the project also calls for an ARAM application on Meadows Ave., between Manhattan Beach Blvd. and Marine Ave. This enhanced treatment includes the application of a rubberized membrane, comprised of scrap tire rubber and tires with a high natural rubber content, which is designed to provide a maintenance-free street surface for 10 to 15 years. The basic application steps include:

- Applying the asphalt-rubber binder;
- Spreading a hot pre-coated aggregate over the binder;
- Embedding the aggregate using a pneumatic tire roller and static steel drum roller; and
- Performing a sweeping operation.

This section of Meadows has mixed Pavement Condition Index (PCI) ratings from block to block, so a more robust treatment like ARAM is expected to hold up longer than a traditional slurry seal application, while also reducing the need for a more expensive option such as a pavement grind and overlay.

#### **DISCUSSION:**

Base and Additive bids for the Slurry Seal and ARAM Project in areas 4, 5, and 6 were solicited on a competitive basis in accordance with the provisions of the California Public Contract Code. The project was advertised for bid in the City's publisher of record (Beach Reporter), in several construction industry publications and was listed on the City's website and BidSync (online service that connects vendors, suppliers and contractors to government procurement opportunities). Staff also notified over 60 contractors on the City's contractor database regarding this project.

A total of five (5) competitive bids were received and opened on January 8, 2019. The base bid plus additive bid results are as follows:

<b>Contractor Price</b>	<b>Total Base Bid  (Areas 4, 5, and 6)</b>	<b>Total Additive Bid  (Area 6)</b>	<b>Total</b>
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American Asphalt South, Inc., Fontana, CA (See Note 1 below)	\$1,069,543.80	\$79,812.70	\$1,149,356.50
Pavement Coating Co. Mira Loma, CA	\$1,092,322.24	\$89,134.60	\$1,181,456.84
Intermountain Slurry Seal, Inc. Sparks, NV	\$1,178,849.60	\$79,150.40	\$1,258,000.00
Roy Allen Slurry Seal, Inc. Santa Fe Springs, CA (See Note 2, below)	\$1,384,552.56	\$138,899.04	\$1,523,451.60
All American Asphalt Corona, CA	\$1,460,880.36	\$126,645.81	\$1,587,526.17

**Note 1:** The bidder's stated total was \$1,149,212.50, or \$144.00 less than the actual unit price rates of the base bid and additive bid; the unit rate bid governs under the Public Contracting Code.

**Note 2:** The bidder's stated total was \$1,533,176.60, which is \$9,725.00 more than the correctly added totals.

Staff reviewed American Asphalt South, Inc.'s contractor license and found it to be in order. Additionally, references indicate American Asphalt South, Inc. has the knowledge and capability to complete the work in a timely and acceptable manner.

After analyzing all bid packets for arithmetical errors, completeness, accuracy, etc., American Asphalt South, Inc.'s bid package (Attachment) contained two line-item arithmetical errors, and two missing pieces of documentation as follows:

- The Line Item 8 calculated total of the base bid was misstated as \$45,404.80 instead of \$451,404.80. This mathematical error between the correctly stated bid item quantity and unit price, versus the calculated total, appears to be a typo (missing the "1" digit). However, the overall total base bid of \$1,069,543.80 was correctly stated.
- The Line Item A6 calculated total of the additive bid was misstated as \$34,331.20, but due to multiplication errors between the actual bid item quantity and unit price versus the calculated total, the correct amount should be \$34,475.20 (a \$144.00 difference).
- American Asphalt South, Inc. provided answers *after* the bid closing for two questions regarding its references: 1) Did you or any subcontractor, file any claims against the Agency, and 2) Did the Agency file any claims against you?
- American Asphalt South, Inc. provided additional evidence indicating the capacity of the person(s) signing the Bid to bind the Bidder *after* the bid closing time.

Per the construction contract specifications (Attachment), in cases of discrepancies between the unit

price and the extended amount (calculated total) set forth for the item, the unit price shall prevail. Therefore, for the purposes of determining the lowest responsible bidder, the total bid amount based on the base bid and additive bid is \$1,149,212.50, which is the lowest bid. After consulting with the City Attorney's Office, it was determined that the variance shown on American Asphalt South, Inc.'s bid packet and late submittal of references is an immaterial deviation for the purposes of considering its bid as responsive. The City Attorney reviewed and responded to a formal protest letter submitted by Pavement Coating Co. and determined that no additional legal analysis is necessary.

Please note that staff's goal is to maximize the amount of slurry seal work that can be accomplished within the total budget available each year, and in this case that work represents only the base bid. The additive bid work not awarded in this cycle will be incorporated into the next slurry cycle.

Therefore, staff recommends that City Council authorize the City Manager to award a construction contract with American Asphalt South, Inc. for \$1,069,543.80 for base bid work only, and approve additional work, if necessary, for up to \$85,456.20. Construction is anticipated to start in March 2019 and be completed by June 2019.

#### **PUBLIC OUTREACH/INTEREST:**

The businesses and residence impacted by this project will be provided advance information regarding the project, including dates and times of construction. Contact information will also be provided for residents who require additional information. Notices will be sent to residences adjacent to the work once the project timeline has been confirmed and work is ready to commence.

#### **ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to Section 15301 Class 1 (repair and maintenance of existing public facilities, involving negligible or no expansion of use) of the State CEQA Guidelines. A Notice of Exemption was filed with the Los Angeles County Clerk's Office for the Project.

#### **LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

#### **ATTACHMENTS:**

1. Resolution No. 19-0021
2. Agreement - American Asphalt South, Inc.
3. Bid Proposal
4. Location Map
5. Specifications
6. Citywide Slurry Seal Areas
7. Budget and Expenditures Summary