

Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the Meeting of September 10, 2024

From: Chris Constantin, City Manager

Prepared by: Shari Garwick, Director of Public Works

Subject: Approve CC 2024-09 San Dimas Loop Reconstruction: Relieve Los Angeles Engineering from Bid and Award the Contract to PaveWest Inc. in the Amount of \$2,662,637; Approve Plans and Specifications for the Project Pursuant to Public Contract Code 22039 Appropriate \$137,637 from Measure R Funds; Approve a Total Project Budget of \$3,137,637 including Contingency; Award of Project Engineering and Survey to DJP Engineering in the an Amount not to Exceed \$25,000; Award of Soils and Geotechnical Testing Services to Geo-Advantec Inc. in an Amount not to Exceed \$50,000 and Authorize the City Manager to Enter into Agreements with PaveWest, DJP Engineering, GeoAdvantec in a Form Approved by the City Attorney approval of Plans and Specifications for the Project on File in Public Works.

SUMMARY

Construction Contract 2024-09 San Dimas Avenue Loop Reconstruction from 500 Feet North of Calle Solana consists of repair of the section of San Dimas Avenue Roadway that was damaged during the February 2023 rain event as well as additional paving on San Dimas Avenue from the damage area to Via Verde Avenue. Work consists of extensive removals of pavement and subgrade (approximately 2,000 Cubic Yards of material, import of 900 Cubic Yards of suitable material, installation of up to 14 foot retaining walls, removal and replacement of curb and gutter, ADA ramps, guard rail and pavement overlay of 128,000 sf of dilapidated roadway from the damaged section to Via Verde Ave).

RECOMMENDATION

Staff Recommends that Council:

1. Relieve Los Angeles Engineering from bid due to clerical error.
2. Award contract to PaveWest Incorporated in the amount bid of \$2,662,637.
3. Appropriate \$137,637 from Measure R Funds for the project.
4. Approve total project budget of \$3,137,637 including contingency.

5. Award project Civil Engineering and Survey to DJP Engineering for an amount not to exceed \$25,000.
6. Award project Geotechnical inspection and Engineering Services to Geo-Advantec, Inc. in an amount not to exceed \$50,00
7. Approve the plans and specifications for the project pursuant to Public Contract Code 22039.
8. Authorize the City manager to enter into agreements with PaveWest, DJP Engineering and Geo Advantech in a form approved by the City Attorney.

FISCAL IMPACT

The approved City budget for fiscal year 2024-2025 includes \$3,000,000 for repair of the San Dimas Loop in Fund 12. Should Council approve staff's recommendations the recommended budget will be:

| Recommended Project Budget | |
|---|--------------------|
| Construction | \$2,662,637 |
| Civil Engineering and Survey | \$ 25,000 |
| Geotechnical Inspection and Engineering | \$ 50,000 |
| Contingency (approx. 15%) | \$ 400,000 |
| Total Project Budget | \$3,137,637 |

The total project budget includes not just the Construction Contract, but also Civil Engineering/Survey, Geotechnical Engineering/Inspection and Contingency. This project involves significant excavation and structural retaining walls where there is potential to encounter unforeseen conditions.

Due to the amount of material that has to be hauled in and out of the project, staff anticipates significant impact to existing pavement along the haul route. As this section of pavement has deteriorated.

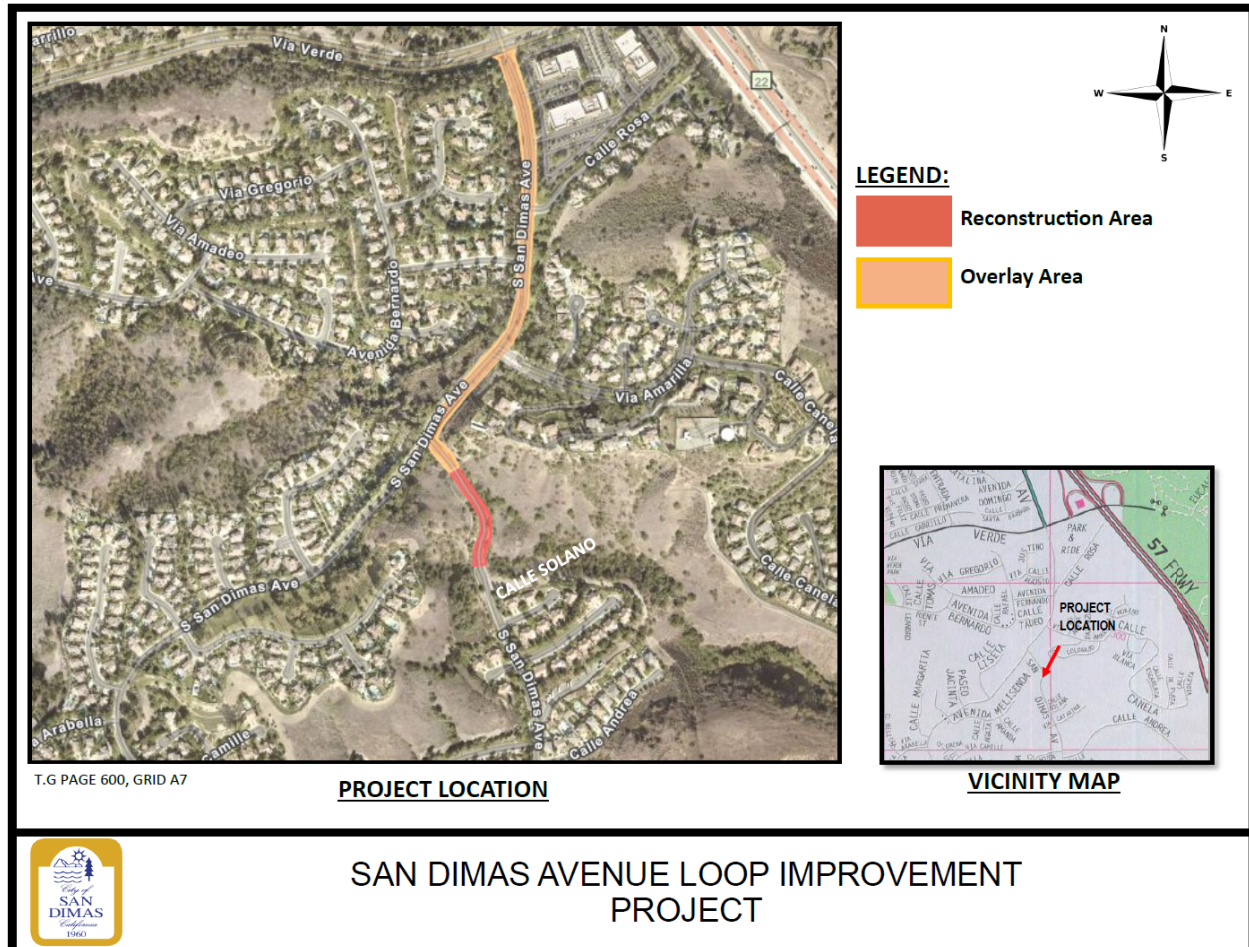
To meet the project budget staff recommends that Council appropriate \$137,637 from Measure R Funds.

BACKGROUND

Heavy rains in February of 2023 caused significant damage to the east side of the San Dimas Loop north of Calle Solana. Staff consulted with a Geotechnical Engineer to review the area. The area is shown in red in the figure below. The Geotechnical Engineer recommended that the road be closed due to concerns of further slope subsidence due to the excessively wet conditions. Staff initiated emergency design for repair of the slope and roadway by contracting for Geotechnical Investigations, Civil Engineering, and Survey design services. Council formally approved these contracts at the June 27, 2023, Meeting.

After the end of the winter rains, Staff worked with the Geotechnical Engineer to provide temporary improvements in order to reopen the road. These improvements included substantially narrowing the roadway, closing the shoulder, sealing the roadway surface prior to significant rain events, and continuous monitoring of the area. While the Street improvement plans have been finalized

since spring 2024, several utilities needed to be relocated prior to beginning the repairs. Frontier completed their relocation in January 2024, and Edison began relocation of their facilities on September 3, 2024. A requirement in the contract specifications, obligates the City's contractor to coordinate with Golden State Water for relocation of the water main.



As mentioned, the red section of the graphic above shows the location of the original damage that occurred during the 2023 rain event. Due to the amount of hauling required for the repair, and the poor condition of the existing street, a significant amount of overlay has been added to the project which is shown in orange above. This section was already on the City's radar for repair and will suffer increased damage due to the hauling required as part of the project. The total pavement that will be overlaid is approximately 128,000 square feet.

On August 8th, 2024, The City Clerk publicly opened four (4) formal bids for Construction Contract 2024-09 San Dimas Avenue Loop Reconstruction from 500 Feet north of Calle Solana. The bid results are shown in the table below:

| Contractor | Construction Bid |
|------------|------------------|
|------------|------------------|

| | | |
|----|--------------------------|--------------|
| 1* | Los Angeles Engineering* | \$1,845,000* |
| 2 | Pavewest | \$2,662,637 |
| 3 | Hardy and Harper | \$4,096,000 |
| 4 | All American Asphalt | \$4,724,222 |

- *Requested relief from bid

The apparent low bidder was Los Angeles Engineering, Incorporated. However, on August 12, 2024, Los Angeles Engineering, Incorporated provided the letter in Attachment 1 requesting “relief” from their bid due to a clerical error where the estimating software did not add in the cost of shoring. The California Public Contract Code allows for this type of request. Staff’s recommendation to proceed with the number 2 bidder will be discussed in detail later in the report.

If Los Angeles Engineering is determined non-responsive, then the second low bidder would be PavWest. The project budget would be:

| Recommended Project Budget | |
|---|--------------------|
| Construction | \$2,662,637 |
| Civil Engineering and Survey | \$ 25,000 |
| Geotechnical Inspection and Engineering | \$ 50,000 |
| Contingency (approx. 15%) | \$ 400,000 |
| Total Project Budget | \$3,137,637 |

\$3,000,000 was allocated for this project in the FY 2024-2025 budget, however, staff recommends that Council appropriate an additional \$137, 637 from Measure R (fund 74) funds in order to move forward with the project.

DISCUSSION/ANALYSIS

Upon receipt of the Lowest Bidder’s request for relief, Staff consulted with the City Attorney. The grounds for such relief are provided in Public Contract Code (PCC) Section 5103. The code section is presented below in bold with the analysis included in italics below each section:

Public Contract Code Section 5103 the bidder is required to establish to the satisfaction of the [City] that:

a) a mistake was made

Los Angeles Engineering Letter dated 8/12/24 notified the City that an error was made in the bid proposal for CC 2024-09

b) .. [the contractor] gave the public entity written notice within five working days...after the opening of the bids of the mistake specifying in the notice in detail how the mistake occurred.

Los Angeles Engineering provided written notification of the error on 8/12/2024. The bid opening was on 8/8/2024. The notice was provided within 5 working days as required.

c) The mistake made the bid materially different than [the contractor] intended it to be.

The mistake amount was \$506,000 which is more than 25% of the bid constituting a material cost difference.

- d) **The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.**

The contractor reports the mistake was from the estimating software which did not add significant shoring costs into the bid proposal and not from error in judgment or carelessness in inspecting the site of work.

The contractor's request for relief from the bid meets the criteria for PCC 5103.

Award to PaveWest

In moving forward with the second bidder, Staff reviewed the bid proposal provided by PaveWest, Inc. and verified that the contractor's bid bond is issued by an admitted surety, as required by Public Contract Code 20170. The contractor's license #968049 Class A is current and expires on 12/31/2025. The contractor along with its subcontractors are registered through the Department of Industrial Relations as required by law (PaveWest Registration No. 1000007773). PaveWest has previously performed paving work in the City, and all checked references confirmed their ability to complete the work.

As these repairs to the San Dimas Loop require extensive earthwork, hauling of (over 2,000 Cubic Yards-200 trucks for the soil removal) the project includes pavement repairs that are outside of the original scope. These pavement repairs were on the City's schedule for near term repair and the hauling from project will hasten the degradation. Therefore, staff included the additional paving as part of the project.

Staff is also recommending entering contracts for professional services with DJP Engineering and Geo-Advantec. These firms are the original project designers and are needed to provide certifications and answer construction questions that may develop regarding the design. The wall is required to have continuous inspection per state building codes which Geo-Advantec will provide.

Staff provides alternatives in the next section, however, if the project is not started in the near term, the repairs will likely have to wait until after the winter rains which would mean the street would be closed until likely June 2025. The Geotechnical Engineer has recommended that the road be closed during the rainy season due to concerns regarding slope stability.

ALTERNATIVES

Following are alternatives for Council Consideration:

1. **Council may decide not to relieve the low bidder Los Angeles Engineering.** The bidder would then be forced to either construct the project at a loss or forfeit his bid bond (approximately \$180,000). Los Angeles Engineering has performed several projects for the City in the past and has been a responsible bidder and contractor. This action could delay the project due to potential litigation, and result in no further bids from Los Angeles Engineering, eliminating a responsible contractor from future work and potentially impacting future bids from other contractors.

2. **Council can reject all bids and rebid the project.** This would result in the work being done after the winter rains. Projects that are re-bid without substantive changes rarely come in lower than the original bid. However, the cost of construction could go down, or it could possibly increase depending on market conditions. Delaying the project until after the winter rains could also subject additional area to damage potentially increasing the scope of the project. The Geotechnical Engineer recommends closure of the road until the repairs are completed which would likely be in June 2025.

ENVIRONMENTAL REVIEW

This item is Categorically Exempt under the California Code of Regulations, Title 14, Section 6, Chapter 3, Article 19, Section 15301 Existing Facilities Class 1 operations which consists of the operation, repair, maintenance or minor alteration of existing public or private facilities involving negligible or no expansion of existing or former use.

Respectfully submitted,



Shari Garwick
Director of Public Works

Attachments:

1. Letter from Los Angeles Engineering requesting relief from bid
2. Draft Contract Agreement with Pavewest, Inc.