

City of La Palma

Agenda Item No. 7



MEETING DATE: June 7, 2022

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBMITTED BY: Mike Belknap, Community Services Director

AGENDA TITLE: Award of Contract to American Asphalt South for the Houston Avenue, City Project No. ST-364; Crescent Avenue, City Project No. ST-366; and Zone 5 Slurry Seal Improvements, City Project No. ST-365

RECOMMENDED ACTION:

It is recommended that the City Council take the following actions:

- a) Approve Award of Contract in the amount of \$462,027.91, inclusive of all bid alternatives to, the low bidder, American Asphalt South for the Houston Avenue, City Project No. ST-364; Crescent Avenue, City Project No. ST-366 and Zone 5 Slurry Seal Improvements, City Project No. ST-365;
- b) Approve the funding agreement with the City of Cypress for completion of the Crescent Avenue Slurry Seal improvements in the City of Cypress; and
- c) Determine that the Project is categorically exempt from the California Environmental Quality Act (CEQA), Class 1, pursuant to CEQA Guidelines, Section 15301.

SUMMARY:

The project consists of three (3) slurry seal projects that include Houston Avenue from Moody Street to Walker Street; Crescent Avenue from city limits to city limits; and Zone 5 of the Residential Neighborhood program. The scope of work incorporates stormwater compliance, traffic control, weed control, crack seal, valve/manhole adjustments, sidewalk repairs, and slurry seal including traffic loops and replace all the striping in both project areas, all materials, equipment, tools, labor, and incidentals needed to complete the project per the plans and specifications.

This project slurry seals Crescent Avenue from city limit to city limit, which shares Crescent Avenue jurisdictionally with the City of Cypress. City staff discussed and negotiated with the City

of Cypress to improve the Cypress portion as part of the overall project with La Palma being the lead agency. The Cypress portion is the south half of Crescent Avenue from the east city limits to the west city limits. Staff worked with each City Attorney to present the funding agreement for the City of Cypress to reimburse the City of La Palma for the costs associated with the work in Cypress. The final costs will be determined based on final project quantities.

The project also includes several bid alternatives:

1. Removal and Installation of 15 new water valve lids and cans

Staff determined it is in the best interest of the City to remove and replace broken, damaged, loose and noisy water valve lids and underlying valve cans. Specifications were provided to complete this work prior to slurry seal operations.

2. Removal and replacement of 4 inch thick concrete sidewalk

Staff has received several requests from residents for sidewalk repairs. After inspection, staff determined the repairs are necessary. This work can be included as a bid alternate as part of the slurry project. Specifications were provided to complete this work prior to slurry seal operations.

3. Filling unused tree wells with concrete on Various Arterial Streets (4'x4' with 4" thick minimum)

Staff determined it is in the best interest of the City to include filling in unused tree wells with the sidewalk repairs noted above to avoid potential liability. Specifications were provided to complete this work prior to slurry seal operations.

4. Asphalt Grind and overlay (2" thick) at various locations

Staff determined it is the best interest of the City to include grind and overlay asphalt pavement sections due to damaged street sections prior to slurry operations. Specifications were provided to complete this work prior to slurry seal operations.

5. Remove and replace ADA Ramp per American Public Works Association (APWA Standards)

Staff is addressing resident complaints of standing water in the existing ramp. As part of the sidewalk repairs, the ADA ramp will be removed and replaced to move the standing water in the ramp. Specifications were provided to complete this work prior to slurry seal operations.

6. Micro Mill and remove Asphalt-Concrete (AC) pavement (3/8" Deep)

Staff is addressing resident complaints in the Santa Margarita Condominium tract of standing water at driveways and doors. The Micro milling will reduce the elevations prior to the slurry operations to allow drainage. Specifications were provided to complete this work prior to slurry seal operations.

On April 28, 2022, the City advertised and solicited bids on the City's website, "ebidboards" and the newspaper for the City Projects No. ST-364, ST-366, and ST-365. Staff directly emailed the Notice Inviting Bids to the previous contractors that the City Engineer has had direct experience with on other slurry projects. The City conducted a mandatory pre-bid meeting on May 17, 2022, to review the project conditions, project schedule and review the project sites. A total of three (3) contractors attended the pre-bid meeting.

On May 26, 2021 three (3) bids were received and opened, as follows:

BIDDING CONTRACTOR	LA PALMA BASE BID	CYPRESS BASE BID	LA PALMA BID ALTERNATES	TOTAL BID
1. American Asphalt South - Fontana	\$343,838.01	\$36,237.50	\$81,952.40	\$462,027.91
2. Doug Martin Contracting Co – La Habra	\$390,353.56	\$50,476.50	\$81,190.40	\$522,020.46
3. All American Asphalt - Corona	\$508,681.06	\$79,175.00	\$75,583.10	\$663,439.16

Staff reviewed the bid documents to see if all required bid documents were submitted. The apparent low bidder, American Asphalt South submitted the required documents with their bid. The bid price noted above also includes the costs for all the bid alternatives. The budgeted project funds are sufficient to complete the slurry seal operation and Bid Alternates.

The City of Cypress reviewed the bid documents and concurs with the bid results. The City of Cypress recommends execution of the funding agreement for project cost reimbursements to the mutual benefit for both jurisdictions and the residents. The funding agreement stipulates that Cypress will reimburse La Palma the Cypress Base bid amount of \$36,237.50, which will be adjusted per final quantities upon completion of the project.

The table below presents the total project cost, including a five percent contingency.

DESCRIPTION	AMOUNT
Construction Cost	\$462,027.91
Contingency 5%	\$23,101.39
Total Estimated Project Construction Cost	\$485,129.30

Approval of the agenda item also authorizes the expenditure of all available contingencies in the project. The contingencies will be available for any necessary change orders associated with unforeseen circumstances. Examples include additional pavement removals for pavement structural compliance, replacement quantities not identified in the scope of work for the project, or any other miscellaneous repairs necessary to complete the project. Said circumstances are typical for this type of project. The contingency amount is proposed at five percent (5%) of the construction cost. The contract may be increased a maximum of twenty-five percent (25%) per the Standard Specifications for Public Works Construction, otherwise known as the "Greenbook."

American Asphalt South performed slurry seal improvements, weed abatement, crack seal and striping on residential streets for other various Southern California jurisdictions, and their work product was satisfactory. They also have performed work for the Cities of Yorba Linda, San Bernardino and Oceanside. References from these Cities also indicate that their work product was excellent. American Asphalt South has successfully completed slurry projects in La Palma.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The award of contract is Categorically Exempt from the California Environmental Quality Act (CEQA) based upon a Class 1 exemption (Cal. Code Regs., Title 14, Section 15301). The Class 1 exemption consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration to existing public or private structures, facilities, mechanical equipment or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The City’s Street Capital Improvement Program consists of minor maintenance applications on existing streets involving negligible expansion of the existing use and therefore qualifies as a Class 1 exemption.

TENTATIVE SCHEDULE:

Award contract	June 7, 2022
Execute agreement	June 14, 2022
Commence construction	June 27, 2022
Complete Construction	August 29, 2022
Project closeout	October 4, 2022

FISCAL IMPACT:

The City’s proposed budget for FY 22-23 Gas Tax, RMRA/SB1, and Measure M2 funds are as follows:

1. ST-364 Houston Avenue Slurry Seal – RMRA/SB1	\$175,000
2. ST-364 Houston Avenue Slurry Seal – Measure M2	\$250,000
3. ST-366 Crescent Avenue Slurry Seal – Gas Tax	\$200,000
4. Zone 5 Slurry Seal – Measure M2	<u>\$300,000</u>
Total Budget	\$925,000

Fiscal Year 2022-23 proposed Capital Improvement Plan Budget Funds for the projects RMRA/SB1 (Account Number 010-900-8131-00000); Gas Tax 011-900-8131-00000; and Measure M2 (Account Numbers 012-900-8130-00000 and 012-900-8131-00000) as noted above.

After completion of the project and per the funding agreement, the City will prepare an invoice to the City of Cypress based on final project quantities for reimbursement of the costs to complete the improvements in Cypress. The preliminary reimbursement is \$36,237.50, which will be adjusted per final quantities.

APPROVED:



Community Services
Director



Financial Consultant



City Manager

- Attachments:
1. Proposed Agreement with American Asphalt South
 2. Funding Agreement with City of Cypress

AGREEMENT

THIS AGREEMENT, made and entered into this 7th day of June, 2022, by and between the CITY OF LA PALMA, CALIFORNIA, hereinafter referred to as the "City," and **American Asphalt South, Inc.**, hereinafter referred to as the "Contractor".

WITNESSETH: That the parties hereto do mutually agree as follows:

ARTICLE I: For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by said City, said Contractor agrees with said City to construct the work under the City's specification entitled **"Houston Avenue, City Project No. ST-364; Crescent Avenue, City Project No. ST-366; and Zone 5 Slurry Seal Improvements, City Project No. ST-365"**, and to perform and complete in a good and workmanlike manner all the work pertaining thereto shown on the drawings and described in the specifications thereof, to furnish at his or her own proper cost and expense all tools, equipment, labor and materials necessary thereof, except such material and equipment as in said specifications are expressly stipulated to be furnished by said City, and to do everything required by this Agreement and the said Specifications and Drawings.

ARTICLE II: For furnishing all said materials and labor, furnishing and removing all plant, temporary works or structures, tools and equipment and doing all the work contemplated and embraced in this Agreement, also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise from or be encountered in the prosecution of the work until its acceptance by said City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work, except such as in the said specifications are expressly stipulated to be borne by said City, and for well and faithfully completing the work the whole thereof, in the manner shown and described in the said Specifications and Drawings and in accordance with the requirements of the City Engineer, said City will pay and said Contractor shall receive in full compensation thereof the prices named in the Bidding Sheets of the Proposal hereto attached.

ARTICLE III: No work, services, material or equipment shall be performed or furnished under this Agreement unless and until a Notice to Proceed has been given to the Contractor by the City, and all bonds and certificates of insurance have been furnished to, and approved by, the City.

ARTICLE IV: All work to be done under this contract shall be completed within the time period set forth in the Notice Inviting Sealed Bids, beginning on the date stipulated in the written Notice to Proceed issued by the City Engineer.

ARTICLE V: The City hereby promises and agrees with said Contractor to employ and does hereby employ said Contractor to do the work according to the terms and conditions herein contained and referred to for the price aforesaid, and hereby contracts to pay the same, at the time, in the manner and upon the conditions set forth in this Agreement; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE VI: The Contract Documents consist of the Notice Inviting Sealed Bids, the Instructions to Bidders, the Proposal, the Bid Bond, the Information Required of Bidders,

this Agreement, the Faithful Performance Bond, the Labor and Material Bond, the Workers' Compensation Certificate, the General Provisions, the Special Provisions, the Technical Provisions, the Specifications and the Drawings mentioned therein, and all addenda issued by the City with respect to the foregoing prior to the opening of bids. Each and every Contract Document in its entirety, including but not limited to General Provisions Section 41, are hereby incorporated in and made part of this Agreement as truly as if fully set forth herein.

ARTICLE VII: Compensation in the amount of \$462,027.91 will be paid by the City per the Contractor's submitted bid documents referenced in Article VI.

IN WITNESS WHEREOF: The parties hereto have caused this contract to be executed the day and year first above written.

CITY OF LA PALMA, CALIFORNIA

By _____
Michele Steggell
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

American Asphalt South, Inc.

By _____
Jeff Petty, President

AGREEMENT

THIS AGREEMENT (“Agreement”), made and entered into this _____ day of _____, by and between the Cities of Cypress and La Palma, California, both municipal corporations, hereinafter referred to respectively as “CYPRESS” and “LA PALMA”.

WITNESSETH

WHEREAS, Crescent Avenue is a principal arterial highway, segments of which are located within the cities of CYPRESS and LA PALMA, respectively;

WHEREAS, ownership and control of a specific segment of Crescent Ave, located approximately 1,125 feet west of Moody Street (LA PALMA City-Limit) and approximately 620 feet east of Walker Street (LA PALMA City-Limit), is divided between the cities with portions of the southern half of Crescent Ave between LA PALMA City-Limits being located in CYPRESS, northern and portions of the southern half being located in LA PALMA; and

WHEREAS, CYPRESS and LA PALMA have jointly proposed to slurry seal Crescent Ave from approximately 1,125 feet west of Moody Street (LA PALMA City-Limit) and approximately 620 feet east of Walker Street (LA PALMA City-Limit) in their respective cities, as shown on Exhibit “A” attached hereto and herein referred to as “PROJECT”; and

WHEREAS, it is in the best public interest that the PROJECT be accomplished by LA PALMA under a contract participated in by CYPRESS; and

NOW, THEREFORE, it is agreed between CYPRESS and LA PALMA as follows:

- I. LA PALMA agrees to:
 - A. Coordinate, prepare or cause to be prepared on behalf of CYPRESS all environmental documents, plans and specifications required for PROJECT; the cost of which is to be borne by LA PALMA as set forth in Sections II and III, respectively.
 - B. Submit said plans and specifications to CYPRESS’s City Engineer, and obtain his approval for the award. Such approval shall not be unreasonably withheld.
 - C. Submit bids received by LA PALMA to CYPRESS for its concurrence in the award of contract to the lowest responsible bidder for PROJECT. Such concurrence shall not be unreasonably withheld.
 - D. Invoice CYPRESS for the work done as set forth herein.
 - E. Require the contractor awarded the PROJECT work to obtain insurance coverage for CYPRESS and LA PALMA as required by the contract documents, but in no event shall said coverage be less than the minimum required by LA PALMA.

- F. Require the contractor awarded the PROJECT to comply with all applicable requirements of California law with respect to the scope of work, including but not limited to the payment of prevailing wages as may require by Labor Code section 1770 *et seq.*

II. CYPRESS agrees to:

- A. Designate, and hereby so designates, LA PALMA as the lead agency for the purpose of accomplishing PROJECT.
- B. Pay LA PALMA for CYPRESS' share of design and construction costs, including construction engineering, inspection and administration costs, for the work performed within CYPRESS (hereinafter, "CYPRESS SHARE").
- C. The La Palma City Engineer shall have authority to administer this Agreement on behalf of CYPRESS, provided that the total of the CYPRESS SHARE shall not exceed the sum of \$ _____ absent approval from the CYPRESS City Council. La Palma will not be required to complete work in CYPRESS which exceeds the cost of the Cypress share.
- D. Make partial and final payments to LA PALMA for the full amount of the CYPRESS SHARE within 60 days after receiving invoices.

III. IT IS MUTUALLY AGREED that:

- A. After it opens bids and awards a contract to the lowest responsible bidder for the PROJECT, LA PALMA shall transmit a tabulation of bids and award of contract to CYPRESS City Engineer.
- B. Any contract changes deemed reasonably necessary or advisable by LA PALMA in furtherance of the PROJECT may be executed by LA PALMA, except that any changes, including but not limited to costs, which may affect the construction in CYPRESS shall first be approved by CYPRESS within ten (10) working days after receipt of such change. Such approval shall not be unreasonably withheld.
- C. Within forty-five (45) days after completion and acceptance of the work by LA PALMA, its City Engineer shall notify CYPRESS, in writing, of the dates thereof and the probable date that final accounting of the CYPRESS SHARE will be submitted. If outstanding charges (such as Contractor's claims and liens) delay the final accounting, LA PALMA shall so advise CYPRESS; but in any event, a final accounting of the CYPRESS SHARE shall be presented within ninety (90) days from the date of completion of the work.
- D. CYPRESS shall have the right to review all invoices, warrants and other related documents used in preparing the final accounting.
- E. CYPRESS and LA PALMA shall cooperate to the fullest extent possible in seeing the PROJECT to completion.

- F. Neither LA PALMA nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by CYPRESS under or in connection with any work, authority or jurisdiction delegated to LA PALMA under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, CYPRESS shall fully indemnify, defend, and hold LA PALMA harmless from any liability imposed for injury (as defined by Government Code Section 810.8), occurring by reason of anything done or omitted to be done by CYPRESS under or in connection with any work, authority or jurisdiction delegated to CYPRESS under this Agreement.
- G. Neither CYPRESS nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by LA PALMA under or in connection with any work, authority or jurisdiction delegated to CYPRESS under this Agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, LA PALMA shall fully indemnify, defend, and hold CYPRESS harmless from any liability imposed for injury (as defined by Government Code Section 810.8), occurring by reason of anything done or omitted to be done by LA PALMA under or in connection with any work, authority or jurisdiction delegated to LA PALMA under this Agreement.
- H. This Agreement represents the entire understanding of the parties hereto as to those matters contained herein, and no prior oral or written understanding shall be of any force or effect with regard to those matters covered by this Agreement. This Agreement may not be modified, altered or amended except in writing signed by both of the parties hereto.
- I. There are no intended third-party beneficiaries under this Agreement and no such third parties shall have any rights or obligations hereunder.
- J. The internal laws of the State of California shall govern the interpretation and enforcement of this Agreement. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in Los Angeles County.
- K. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.
- L. This Agreement shall become effective on the date first shown above and shall remain in full force and effect until amended or terminated at any time upon mutual consent of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their authorized officers this ___ day of _____ 2022.

CITY OF LA PALMA,
A Municipal Corporation

CITY OF CYPRESS
A Municipal Corporation

Mayor

City Manager

ATTEST:

ATTEST:

City Clerk

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

City Attorney