



City of Huntington Beach

File #: 19-441

MEETING DATE: 5/20/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Lori Ann Farrell Harrison, Interim City Manager

PREPARED BY: Travis K. Hopkins, PE, Director of Public Works

Subject:

Accept bid and authorize execution of a construction contract with Alfaro Communications Construction, Inc. in the amount of \$298,872 for the traffic signal modification at the intersection of Gothard Street and Slater Avenue - CC-1493; and, appropriate Traffic Impact funds for construction and authorize change orders not to exceed 15 percent

Statement of Issue:

On November 8, 2018, bids were opened for the traffic signal modification at the intersection of Gothard Street and Slater Avenue. City Council action is requested to award the contract to Alfaro Communications Construction, Inc., the lowest responsive and responsible bidder.

Financial Impact:

The total estimated project cost is \$468,881. Grant fund expenditures to date total \$2,791 and matching fund expenditures to date total \$569. Funds in the amount of \$390,090 are available in Highway Safety Improvement Program (HSIP) grant Account 99590004.82700. Funds in the amount of \$26,106 are available in Gas Tax Account 20790045.82700 for a portion of the City's match. For the remaining match staff is requesting an appropriation of \$49,325 from the undesignated Traffic Impact Fee Fund Balance to account 20690007.82700. The additional funds over the construction contract costs will be used for city-furnished equipment purchases and costs not reimbursable through the grant program.

Recommended Action:

A) Accept the lowest responsive and responsible bid submitted by Alfaro Communications Construction, Inc. in the amount of \$298,872; and,

B) Appropriate \$49,325 of undesignated Traffic Impact Fee fund balance to Traffic Impact Fee account 20690007.82700; and,

C) Authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney; and,

D) Authorize the Director of Public Works to execute change orders not to exceed a total of 15 percent of the contract construction costs or \$44,830.

Alternative Action(s):

Reject all bids and provide staff with alternative direction.

Analysis:

The City applied for grant funding for a traffic signal modification under the federal Highway Safety Improvement Program (HSIP). The intersection of Gothard Street and Slater Avenue was identified for the installation of left turn arrows based on their recent collision history. The grant application was approved and engineering and construction funds were subsequently approved.

This project, at the intersection of Gothard Street and Slater Avenue, consists of installing left turn arrows for eastbound and westbound traffic and fiber optic interconnect.

A complete set of plans and specifications are available for review at the Public Works counter during normal business hours.

Bids were opened on November 8, 2018, and are listed in ascending order:

| | Bidder | Submitted Bid |
|---|---|----------------------|
| 1 | STL Landscape, Inc. | \$247,000.00 |
| 2 | Alfaro Communications Construction, Inc. | \$298,872.00 |
| 3 | Comet Electric, Inc. | \$365,919.00 |
| 4 | DBX, Inc. | \$384,300.00 |
| 5 | Elecnor Belco Electric, Inc. | \$411,416.00 |
| 6 | Dynalectric, Inc. | \$414,999.80 |
| 7 | California Professional Engineering, Inc. | \$416,404.56 |
| 8 | Sturgeon Electric, Inc. | \$421,803.00 |
| 9 | Select Electric, Inc. | \$475,937.00 |

Subsequent to the bid opening, STL Landscape, Inc. withdrew their bid, thus making Alfaro Communications Construction, Inc. the lowest responsive and responsible bidder.

The total estimated cost of this project is \$468,881, which includes the City's direct purchase of all major equipment. This practice ensures consistency of equipment among the traffic signals and

street lighting maintained by the City. Direct purchase also provides the added benefit of reduced costs to the City due to elimination of contractor mark-ups, typically in excess of 20 percent on this type of equipment.

Estimated Construction Costs

| | |
|------------------------------|------------------|
| Bid | \$298,872 |
| 15% construction contingency | \$44,830 |
| City furnished equipment | \$80,000 |
| Construction administration | \$20,179 |
| Material testing | <u>\$25,000</u> |
| Total | \$468,881 |

Federal grant funds totaling approximately \$392,881 are anticipated to be received with a total of \$76,000 of City Gas Tax and TIF funds required to provide the grant matching funds and to fund the items ineligible for federal reimbursement. These ineligible items include some of the construction administration tasks such as material testing and monitoring for labor compliance.

The project was included in the FY 2018/19 Capital Improvement Program as a continuing project with federal grant funding of \$278,300. Due to construction cost increases and the significant increase in material costs, especially steel products, the originally budgeted funds were not adequate to complete construction. Staff was able to obtain additional federal funding of \$114,581, bringing the total to \$392,881. Additional City matching funds are needed to fully fund construction.

Funding Summary

| | |
|---|------------------|
| Grant funds available | \$390,090 |
| Grant funds encumbered or spent to date | \$2,791 |
| Matching funds expended to date | \$569 |
| Match available | \$26,106 |
| Match appropriation required | <u>\$49,325</u> |
| Total estimated project cost | \$468,881 |

Staff is requesting that the Director of Public Works be given authorization to approve change orders on this project up to 15 percent of the construction cost rather than the standard 10 percent. The request equates approximately to the typical 10 percent contingency based on the total of the construction contract and the materials purchased by the City. This authorization will provide the added flexibility needed to complete a typical construction project yet still be consistent with the intent of the 10 percent limit.

Public Works Commission Action:

The Public Works commission recommended this project on May 16, 2018, by a vote of 4-0-3 (Carr, Mulvihill and Stanford absent).

Environmental Status:

This project is categorically exempt pursuant to the California Environmental Quality Act, Section 15303 (c).

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Project Location Map.