ITEM NO. 10

STAFF REPORT

CITY OF OCEANSIDE

DATE: November 10, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

SUBJECT: **AWARD OF CONTRACT FOR THE ANNUAL OVERLAY FY 2010-2011 PROJECT**

SYNOPSIS

Staff recommends that the City Council award a contract in the amount of $3,062,686 to Granite Construction of Watsonville, California, for the Annual Overlay Project FY 2010-11, located on various streets within the City; and authorize the City Manager to execute the agreement upon receipt of all supporting documents.

BACKGROUND

Each fiscal year, a construction contract is prepared for the replacement and restoration of surface streets and other asphalt-related items as part of a continuing program to improve public roadways.

On August 18, 2010, the City Council approved the plans and specifications and authorized a call for bids. The staff report included the complete list of streets to be repaired (Exhibit A) including portions of College Boulevard, Vista Way and Douglas Drive. Notices inviting sealed bids were sent to qualified area contractors and were also advertised in local newspapers, trade journals, and Web sites in accordance with the City's standard bidding procedures.

ANALYSIS

The work starts with the removal and replacement of worn asphalt and a two-inch-thick cap of new asphalt on various arterials (plus three residential streets) Citywide. The asphalt used for the new surface is manufactured partially from recycled automobile tires. This product has been used in other Southern California cities recently, is cost-competitive, reduces road noise and helps in the reuse/recycling of unwanted tires.

Restoration needs were determined by citizens' reports of deteriorating asphalt and related items, and staff's review to determine high priorities for restoration.

The bids were publicly opened on October 7, 2010; ten bids were received.

COMPANY	*CITY*	*BID AMOUNT*
Granite Construction	Watsonville, CA	$3,062,686.00
Frank & Sons Paving	Chula Vista, CA	$3,074,382.35
ATP General Engineering Co.	Chula Vista, CA	$3,119,415.40
Hardy & Harper Inc.	Santa Ana, CA	$3,121,000.00
Hazard Construction	San Diego, CA	$3,161,444.00
TC Construction	Santee, CA	$3,207,023.25
SRM	San Diego, CA	$3,208,760.00
All American Asphalt	Corona, CA	$3,383,000.00
Palp dba Excel Paving Co., Inc	Long Beach, CA	$3,497,787.10
RJ Noble	Orange, CA	$3,678,884.05

The lowest qualified bidder is Granite Construction of Watsonville, with a bid of $3,062,686. Their credentials have been researched and found to meet City requirements. The bid was reviewed and found to be complete. Construction is anticipated to begin in November and finish in February 2011. Night work is scheduled on Oceanside Boulevard, Douglas Drive, El Camino Real, Melrose Drive and College Boulevard between 8:00 p.m. – 5:00 a.m. This will limit the interruption of traffic along these busy arterials.

FISCAL IMPACT

The estimated project cost, including the base construction contract award and a 10 percent contingency for staff time and quantity overages, is $3,300,000. The funding source is TransNet and the approximate balance in the CIP Street Restoration account (902754200212) is $4,102,283. Therefore, sufficient funds are available.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The bid documents were previously reviewed by the City Attorney and approved as to form. The contract must be awarded to the lowest responsible bidder. The Public Contract Code defines "responsible bidder" as a bidder who has demonstrated the attributes of trustworthiness as well as quality, fitness, capacity and experience to satisfactorily perform a public works contract. The City Council also has the discretion to reject all bids and re-advertise.

RECOMMENDATION

Staff recommends that the City Council award a contract in the amount of $3,062,686 to Granite Construction of Watsonville, California, for the Annual Overlay Project FY 2010-11, located on various streets within the City; and authorize the City Manager to execute the agreement upon receipt of all supporting documents.

PREPARED BY:

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REVIEWED BY:

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George Buell, Development Services Director

Scott O. Smith, City Engineer

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Attachments:
Exhibit A

EXHIBIT A

Annual Overlay Project FY 2010

1. Morse Street, Stewart to Coast Hwy
2. El Camino Real, Mission Avenue to Douglas Drive
3. Douglas Drive, Point Delgada to Catalina
4. Douglas Drive, Bridge to North River Road
5. College Boulevard - Roselle to Thunder
6. Melrose Drive- Oceanside Blvd to south of Sagewood
7. Cameo Drive – Rancho Del Oro Drive to Marvin Street
8. Oceanside Blvd South- Commerce to the east endpoint
9. Vista Way – El Camino Real to Rancho Del Oro Drive
10. Industry Street, El Camino Real west approximately 1400 feet
11. Graybar Court, Tiffany to end of cul de sac