



## Legislation Text

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**File #:** 18-0961, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute a Seventh Amendment to Contract No. 32487 with CJ Concrete Construction, Inc., of Santa Fe Springs, CA, for concrete repairs and related improvements, increasing the contract amount by an additional \$7,000,000, for a revised total contract amount not to exceed \$35,000,000, and extending the contract term to December 31, 2019. (Citywide)

On January 10, 2012, the City Council authorized the City Manager to execute a contract for concrete repairs and related improvements with CJ Concrete Construction, Inc. (CJ Concrete), for an annual amount of \$4,000,000. City Council authorized six contract amendments, bringing the total contract authority to an amount not to exceed \$28,000,000, and extending the term to December 31, 2018. City Council approval is requested to increase the contract amount by an additional \$7,000,000, for a total amount not to exceed \$35,000,000, and to extend the term to December 31, 2019.

This on-call contract provides the City with an efficient contract delivery model for street improvement projects with fixed unit pricing for work performed, including the repair and replacement of sidewalks, driveways, curb and gutters, curb ramps, cross gutters, bus stops, alleys, and other concrete-related improvements. Work under this contract is only performed by the contractor based on individual work orders issued by the City and does not include any guaranteed minimum payment or retainer fee. Payment to the contractor is based on the number of work orders issued and completed by the contractor.

With passage of Measure A, Los Angeles County Measure M, and the Road Repair and Accountability Act of 2017 - Senate Bill 1 (SB 1), additional funding is available for street repairs. The programmed street projects in Fiscal Year 2018 (FY 18) Adopted Capital Improvement Program (CIP) budget, along with planned FY 19 CIP projects, are estimated to cost more than the remaining contract authority under the current contract limit. Staff recommends increasing the current contract authority by an additional \$7,000,000 to ensure FY 18 and FY 19 CIP projects are completed.

The contractor requested cost increases for the contract items due to unforeseen and unavoidable increases attributed to inflation, disposal, and concrete-related labor. Due to the recent surge in construction activity in our area, concrete material and disposal costs have increased. Additionally, after the contract was awarded, prevailing wage law was expanded to include hauling and delivery of ready-mix-concrete to public works projects. This change also contributed to an unanticipated increase in concrete costs. The CJ Concrete proposed unit prices are still lower than those being received on other competitively bid street projects.

Staff issued a bid for the annual contract for curb ramps and related improvements in July 2018. The bids were received on August 16, 2018. Three of the four bidders were non-responsive, primarily due to Section 3 and Department of Industrial Relations (DIR) requirements. All the bids were rejected and engineering staff is preparing the specifications for re-advertisement. Extension of this contract is needed to continue to perform American with Disabilities Act (ADA) and concrete improvement-related work until the new contract is in place.

This matter was reviewed by Deputy City Attorney Linda T. Vu on October 1, 2018 and by Budget Analysis Officer Julissa José-Murray on October 8, 2018.

### SUSTAINABILITY

All concrete removed under this contract will be recycled as base rock for street construction projects. All new concrete installed under this contract will utilize waste ash, thereby diverting this material from local landfills.

City Council action is requested on October 23, 2018, to support the delivery of programmed street improvement projects and ADA repairs.

The contract authority increase of \$7,000,000, for a revised total contract amount not to exceed \$35,000,000 through the term ending December 31, 2019, is estimated based on current and anticipated projects within various City departments, including the Public Works Department (PW). No appropriation increase is requested at this time. Any work not currently budgeted will only proceed at such a time that appropriations have been approved by the City Council. Approval of this recommendation will provide continued support to the local economy.

Approve recommendation.

CRAIG A. BECK  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER