



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

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November 1, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Second Amendment to Contract No. 31471 with All American Asphalt for the Annual Contract for Street Improvements to increase the contract amount by an additional amount not to exceed \$6,000,000 through the authorized final contract term ending December 15, 2012. (Citywide)

DISCUSSION

On December 15, 2009, the City Council authorized the City Manager to execute an on-call contract with All American Asphalt to construct street and airport taxiway improvements at fixed unit prices. Under this on-call contract, work is only done by the contractor based on individual work orders issued by the City. Payment to the contractor, under this contract, is based on the fixed unit prices and the quantity of work issued in work orders issued by the City and fully completed by the contractor. The contract does not include any guaranteed minimum payment or retainer fee to the contractor.

The current term of the contract, as well as the original contract authority of \$6 million, will soon expire. The contractor has done excellent work for the City, particularly keeping the residential resurfacing program within budget and completing jobs in a timely manner. The contractor has provided the City with a written offer to extend the contract term for another year at the same unit prices originally bid in December 2009. Considering that the current contract unit prices are typically lower than those now being received on other competitively bid street projects, staff is recommending that the City accept this offer and have the City Manager extend the contract term through December 15, 2012 as previously authorized by the City Council.

The maximum amount of work orders that can be issued under this on-call contract amendment will be \$6,000,000. All work orders issued under this contract will be funded with existing appropriations, as well as additional appropriations made during the term of the contract.

While Public Works will be responsible for the administrative control and monitoring of the contract, the contract will continue to be used by more than one department to construct a variety of street and airport related projects.

This matter was reviewed by Deputy City Attorney Linda Trang on October 11, 2011, and by Budget Management Officer Victoria Bell on October 13, 2011.

SUSTAINABILITY

All asphalt used under this contract will include recycled rubber tires at the rate of 2.7 tires per ton of asphalt used. It is estimated that up to 135,000 tires that would have gone to a landfill will be recycled into asphalt during the term of this contract.

TIMING CONSIDERATIONS

City Council action on this matter is requested on November 1, 2011, in order to provide for the timely extension of the existing on-call contract.

FISCAL IMPACT

The maximum amount of work orders that can be issued under this on-call contract is \$6,000,000. Individual work orders issued under this contract will be funded by the Department issuing the purchase order within their current appropriations; no appropriation increases are required. The number of jobs created by this action is not available at this time and will depend on the funds budgeted and the work assigned over the course of the contract.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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APPROVED:



PATRICK H. WEST
CITY MANAGER