

CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

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November 3, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Fourth Amendment to Contract No. 33031 with All American Asphalt for the Annual Contract for Street Improvements, increasing the contract amount by an additional \$13,000,000, for a total amount not to exceed \$58,000,000, and extend the contract term to February 28, 2017, at the discretion of the City Manager. (Citywide)

DISCUSSION

On February 19, 2013, the City Council authorized the City Manager to execute the City of Long Beach (City) annual contract with All American Asphalt in the amount of \$15,000,000, to construct street, parking lot, and airport taxiway improvements at fixed unit prices. On August 13, 2013 and May 13, 2014, the City Council authorized the second and third contract amendments, bringing the total contract authority to \$45,000,000. Under this on-call contract, work is only performed by the contractor, based on individual work orders issued by the City. Payment to the contractor, under this contract, is based on the originally bid-fixed unit prices, and the quantity of work issued in work orders by the City, and then completed by the contractor, as a typical public works construction project. This method of contract delivery provides staff with an extremely efficient contract delivery model for street improvement projects. However, the contract does not include any guaranteed minimum payment or retainer fee to the contractor.

The programmed street, parking lot, and airport-related projects included in the FY16 Adopted Capital Improvement Program budget are now estimated to be more than the remaining contract authority available under the current contract limit. Staff is recommending augmenting the current contract authority by an additional \$13,000,000, and extending the term for an additional year to February 28, 2017. Having this annual contract in place provides staff with a valuable tool to deliver projects in a timely manner, while still complying with the State public contract code.

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 on December 20, 2012, with the exception of seven concrete improvement items to be increased and twelve asphalt concrete and asphalt rubber pavement items to be decreased. Considering that the current contract unit prices, including the seven concrete improvement items to be increased, as well as the twelve asphalt concrete and asphalt rubber pavement items to be decreased, 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 February 28, 2017.

This matter was reviewed by Deputy City Attorney Gary Anderson on September 30, 2015 and by Budget Management Officer Victoria Bell on October 16, 2015.

SUSTAINABILITY

All asphalt used under this contract will include recycled rubber tires at a rate of 2.7 tires per ton of asphalt used. It is estimated that up to 460,000 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 3, 2015 in order to continue with the delivery of programmed street and airport taxiway projects planned for FY16.

FISCAL IMPACT

The contract authority increase of \$13,000,000, for a revised total amount not to exceed \$58,000,000, is estimated based on current and anticipated projects within various City departments, primarily the Public Works Department (PW), Airport Department (AP), and City Manager Department (CM). Any work not currently budgeted will only proceed at such time that appropriations have been approved by the City Council. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN, PE
DIRECTOR OF PUBLIC WORKS

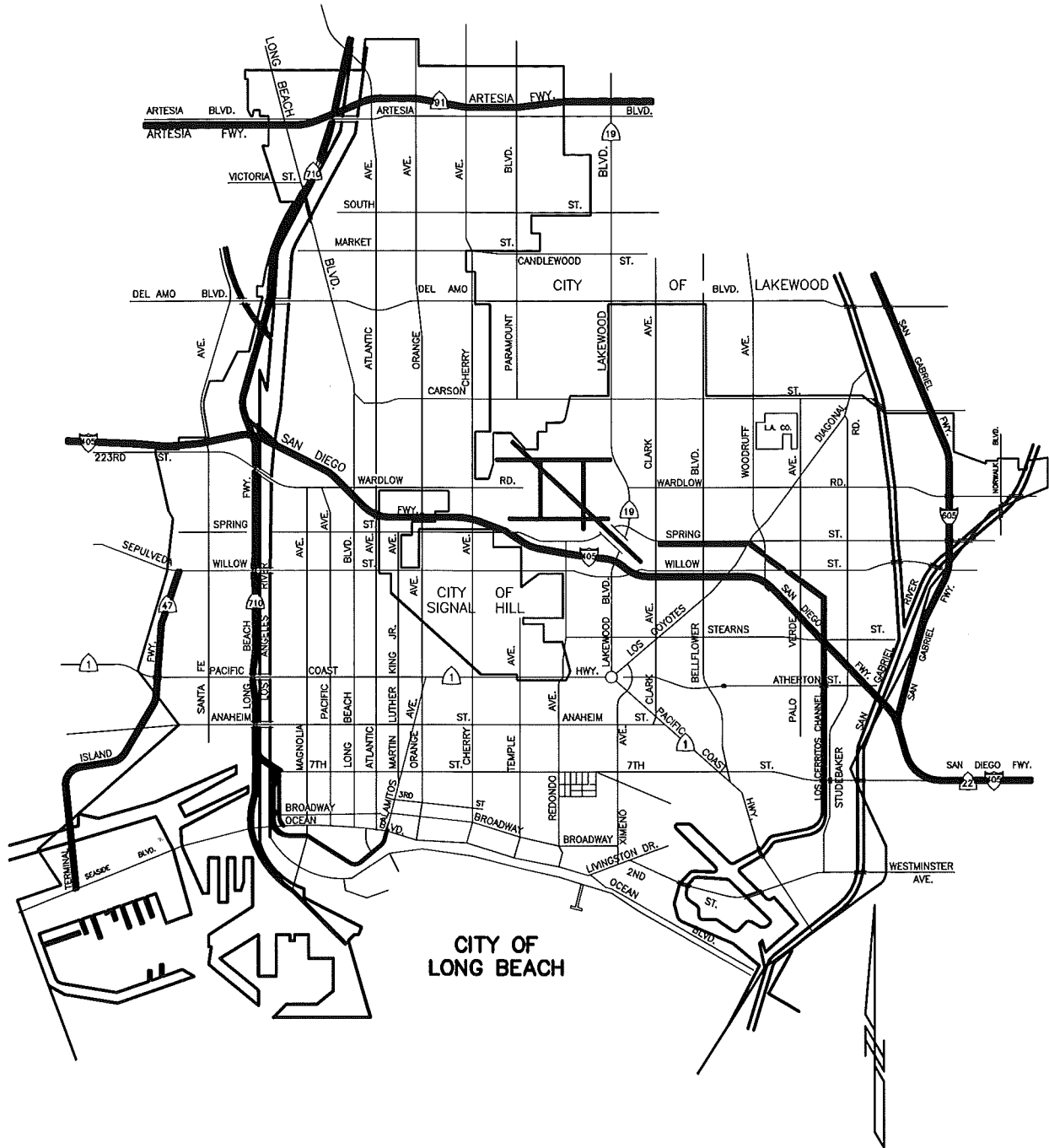
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Attachment -Vicinity Map

APPROVED:


PATRICK H. WEST
CITY MANAGER

Fourth Amendment to Contract 33031
All American Asphalt
Annual Contract for Street Improvements (Citywide).



VICINITY MAP
SCALE: NONE