



# CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

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August 13, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute a Second Amendment to Contract No. 33031 with All American Asphalt for the Annual Contract for Street Improvements, increasing the contract amount by an additional \$15,000,000 for a revised not-to-exceed total contract of \$30,000,000, and extend the contract term to February 28, 2015, at the discretion of the City Manager. (Citywide)

## DISCUSSION

On February 19, 2013, 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 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.

On April 2, 2013, the City Council authorized an additional \$2.6 million to be allocated to residential street resurfacing and slurry seal pavement maintenance projects, and \$1 million for sidewalk improvements. Additionally, on June 11, 2013, the City Council authorized an additional one-time \$6.1 million to be allocated to infrastructure improvements.

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. Staff would like to continue the use of the contractor's current contract unit prices, which are

typically lower than those now being received on other competitively bid street projects. Staff has spoken with All American Asphalt, and the contractor has agreed to continue providing construction services at the same unit prices originally bid on December 20, 2012. However, the current programmed street and airport-related projects planned for FY13 are now estimated to be more than the remaining authority available under the current contract authority. Staff is recommending augmenting the current contract authority by \$15 million. Staff proposes that the contract term be extended for an additional year to February 28, 2015. The maximum amount of work orders that can be issued under this on-call contract amendment will be \$15 million. 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 the Public Works Department will be responsible for the administrative control and monitoring of the contract, the contract will continue to be used by other departments such as the Airport Department and the Parks, Recreation, and Marine Department to construct a variety of street, pavement, and parking lot-related projects.

This matter was reviewed by Deputy City Attorney Linda Vu on July 23, 2013 and by Budget Management Officer Victoria Bell on July 26, 2013.

#### 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 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's action on this matter is requested on August 13, 2013 in order to continue with the delivery of programmed street and airport taxiway projects planned for FY13 and FY14.

#### FISCAL IMPACT

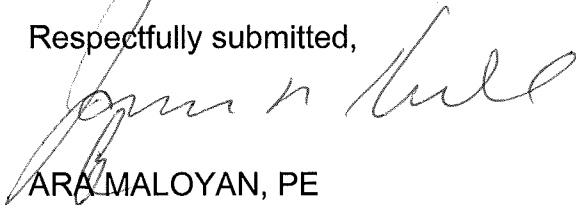
The contract authority increase of \$15,000,000, for an aggregate amount not to exceed \$30,000,000, is estimated based on current and anticipated projects within various City departments, including the Public Works Department (PW), Airport Department (AP) and Parks, Recreation and Marine Department (PR). No appropriation increase is requested at this time. Any work not currently budgeted will only proceed at such time that appropriations have been approved by the City Council. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




ARA MALOYAN, PE  
ACTING DIRECTOR OF PUBLIC WORKS



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

AM:JG;DW:PA:bt  
P/CL/2<sup>nd</sup> Amend All American.v3.doc

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER