

CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard 9th Floor • Long Beach, CA 90802 • (562) 570-6383 • Fax (562) 570-6012

July 10, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Third Amendment to Contract No. 31471 with All American Asphalt for the Annual Contract for Street Improvements for an additional amount not to exceed \$3,000,000, for an aggregate amount not to exceed \$15,000,000. (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 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.

In the past two years, the contractor has performed well for the City, particularly in keeping the residential resurfacing program within budget and completing work in a timely manner. In addition, staff from All American Asphalt has been very successful with community relations on residential street projects.

Finally, 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 in December 2009. However, the current programmed street and airport taxiway projects planned for FY12 are now estimated to be more than the remaining authority available under the current contract authority. Staff is recommending to augment the current contract authority by \$3 million. Staff proposes that the contract term will stay the same through December 15, 2012, as previously authorized by the City Council.

HONORABLE MAYOR AND CITY COUNCIL

July 10, 2012

Page 2

The maximum amount of work orders that can be issued under this on-call contract amendment will be \$3 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 Trang on June 21, 2012, and by Budget Management Officer Victoria Bell on June 25, 2012.

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's action on this matter is requested on July 10, 2012, in order to continue with the delivery of programmed street and airport taxiway projects planned for FY12.

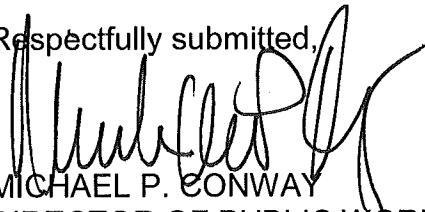
FISCAL IMPACT

Based on historical and anticipated usage by all City Departments, the maximum amount of work orders that can be issued under this on-call contract is an additional \$3,000,000. 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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

MPC:DW:LL
P/CL/R-6819 All American Annual CL.doc

APPROVED:



PATRICK H. WEST
CITY MANAGER