



# CITY OF LONG BEACH

## DEPARTMENT OF PUBLIC WORKS

# R-36

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

October 10, 2006

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

Authorize the City Manager to execute the First Amendment to Contract No. 29448 with Sully-Miller Contracting Company to extend the term of the contract to December 31, 2007, to increase the contract by \$6,000,000 for a total cumulative contract amount of \$14,500,000, and to replace Exhibit "A" with Exhibit "A-1," a listing of the annual revised pricing. (Citywide)

### DISCUSSION

Each year, the City enters into a contract for the construction of minor improvements to streets, alleys and publicly-owned properties such as parks, playgrounds, beaches and the airport. This annual contract provides an expedient means of constructing public works, by establishing an agreement with a private contracting company selected as the lowest responsible bidder. The work includes minor street, sidewalk and irrigation repairs and improvements. The 2006 unit prices are included in Exhibit "A" of the contract and will be updated with the 2007 unit prices included in Exhibit "A-1".

This is a procurement tool with no funds actually committed to the base contract. Upon City Council approval, departments may issue purchase orders within their respective operating or project budgets. The award amount for the annual contract is based on anticipated expenditures. The contract is not for one specific project or department, but for various projects and departments throughout the year, with no specific contract expenditure amount guaranteed to the contractor. City departments expected to utilize this contract include Long Beach Gas and Oil, Water, Community Development, Parks, Recreation and Marine and Public Works.

On November 22, 2005, the City Council adopted Plans and Specifications No. R-6700 and awarded the contract to Sully-Miller Contracting Company for \$8,500,000 (City Council letter attached). The Specifications allow for an extension of the contract for up to two additional one-year terms. Sully-Miller Contracting Company has indicated its interest in extending the term of the contract to December 31, 2007, with a small unit price increase of 6.6 percent, overall. The overall unit price escalation is greater than

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the CPI, due to anticipated PCC material increase of 6%, asphalt material increase of 15% and labor increases of 6%.

In addition to the term extension, the Departments of Public Works, Long Beach Gas and Oil, Community Development and Parks, Recreation and Marine are requesting additional contract authority of \$2,500,000, \$500,000, \$500,000 and \$500,000, respectively. The Water Department will also be requesting authorization of \$2,000,000 from the Board of Water Commissioners. The combined increase is \$6,000,000.

The proposed amendment was reviewed by Senior Deputy City Attorney Donna F. Gwin on September 18, 2006, and Budget Management Officer David Wodynski on September 21, 2006.

TIMING CONSIDERATIONS

City Council action on this matter is requested on October 10, 2006, to allow on-going street repair projects to proceed without interruption and allow for immediate commencement of new projects.

FISCAL IMPACT

Individual purchase orders issued under this contract will be funded by the department issuing the purchase order within current appropriations; no appropriation increases are required.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN  
DIRECTOR OF PUBLIC WORKS

P:\CL\First Amend Sully-Miller Annual Street\_rev1.doc  
MAC:EJV:km

Attachment

APPROVED:



GERALD R. MILLER  
CITY MANAGER



# CITY OF LONG BEACH

# R-31

## DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802

November 22, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

Adopt Plans and Specifications No. R-6700 for the Annual Contract for Street Repairs and Minor Improvements and authorize the City Manager to execute a contract with Sully-Miller Contracting Company in an estimated amount of \$8,500,000. (Citywide)

### DISCUSSION

Each year, the City enters into a contract for the construction of minor improvements to streets, alleys and publicly owned properties such as parks, playgrounds, beaches and the airport. The work includes minor street, sidewalk and irrigation repairs and improvements.

This is a procurement tool with no funds actually committed to the base contract. Upon City Council approval, departments may issue purchase orders within their respective operating or project budgets. The award amount for the annual contract is based on anticipated expenditures. The contract is not for one specific project or department, but for various projects and departments throughout the year, with no specific contract expenditure amount guaranteed to the contractor. City departments expected to utilize this contract include Community Development, Long Beach Water, Long Beach Gas and Oil, Parks, Recreation and Marine and Public Works.

The specifications allows for an extension of the contract for up to two additional one year terms and an annual price increase not to exceed six percent (or \$510,000), if both the City and the contractor agree to the extension or price increase.

City Council adoption of the plans and specifications and award of contract to the lowest responsible bidder are being recommended concurrently to expedite the project implementation. The project was advertised for bids on October 14, 2005, and bids were opened on November 9, 2005. Information regarding the bid and Sully-Miller Contracting Company is available on the attached contract awards document.

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This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin and Budget Management Officer David Wodynski on November 16, 2005. Environmental approvals, in accordance with the California Environmental Quality Act, will be obtained separately for each individual project.

TIMING CONSIDERATIONS

City Council action on this matter is requested on November 22, 2005, to allow emergency street repair projects to proceed without delay.

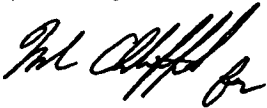
FISCAL IMPACT

Individual purchase orders issued under this contract will be funded by the department issuing the purchase order within current appropriations; no appropriation increases are required. The estimated base bid of \$8,500,000 does not include the contingency of up to 15% (\$1,275,000).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN  
DIRECTOR OF PUBLIC WORKS

APPROVED:



GERALD R. MILLER  
CITY MANAGER

BM:DM:km  
P/CL/R-6700

Attachment

## Recommended Contract Awards For November 22, 2005

~~R-31~~

<u>PROJECT NUMBER</u>	<u>DESCRIPTION</u>	<u>FUNDING SOURCE</u>	<u>LOWEST RESPONSIVE BIDDER/ LOCATION</u>	<u>AWARD AMOUNT</u>
R - 6700	FOR THE ANNUAL CONTRACT FOR STREET REPAIRS AND MINOR IMPROVEMENTS  DISTRICT: CITYWIDE	(VARIOUS)	SULLY-MILLER CONTRACTING COMPANY ANAHEIM, CA 92801 BIDDER IS NOT AN MBE/WBE/DBE	\$8,500,000.00

There were nine Plans and Specifications sold. Two bids were received, one from a Long Beach Business, and none from MBEs or WBEs.

Donna F. Gwin, Senior Deputy City Attorney, approved the Plans and Specifications on October 21, 2005.

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The above is a construction project, which can be increased up to 15% above the award amount with no further City Council Actions, per the standard Specifications for Public Works Construction ( "Green Book" ) which has been adopted by the City Council.

**PROCUREMENT OUTREACH:** Advertisements are placed in the Press – Telegram. In a continuing effort to increase participation of Long Beach businesses, DBEs, MBEs and WBEs, bids for construction projects exceeding \$100,000 are advertised, by the Public Works Department, in approximately 10 trade publications and plan rooms catering to the construction industry. Current bids are announced on the City of Long Beach Procurement website: <http://www.planetbids.com/LongBeach/bidframe.cfm> and on the Procurement Hotline, (562) 570-6361, ext. 7.