



## Legislation Text

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**File #:** 11-0827, **Version:** 1

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Recommendation to approve termination of Contract No. 32200 with Intermountain Slurry Seal, Inc. for the work described in Plans and Specifications No. R-6880 for Cape Seal - 1<sup>st</sup> Street from Junipero Avenue to Orizaba Avenue; Josie Avenue from Rendina Street to De Leon Street; and Anaheim Road from Clark Avenue to El Prado Avenue; award the project to, and authorize City Manager to execute a new contract with the next lowest responsible bidder, Manhole Adjusting, Inc., in an estimated amount of \$251,996, plus a 15 percent contingency amount of \$37,799, if necessary, for a total of \$289,795, and any amendments thereto except for an increase in the contract price. (District 3)

On May 3, 2011, the City Council awarded a contract to Intermountain Slurry Seal, Inc., to construct a "cape seal" pavement treatment on selected streets in the 3<sup>rd</sup> Council District. The application process of applying this material requires that the associated equipment be permitted by the Air Quality Management District (AQMD). Subsequent to the award of this contract, the contractor's temporary permit with AQMD expired. The contractor then applied for a permanent permit from AQMD and, following a field test observed by AQMD staff, AQMD denied the requested permit. City Staff maintained ongoing communication with the contractor expressing concern regarding the lack of an AQMD permit. The contractor advised that they anticipated another field test on August 2, 2011. However, discussion with AQMD on July 22, 2011 revealed that no test was scheduled. AQMD further advised that, if a field test were to occur and satisfy AQMD that the contractor achieved all of the required emission levels, a permanent permit could not be issued in less than 30 days, and more likely, longer than 60 days. Since the contractor cannot perform under their contract without this AQMD permit, staff is recommending that the contract with Intermountain Slurry Seal, Inc., be terminated and a new contract be awarded to the next lowest bidder, Manhole Adjusting, Inc., of Pico Rivera, California, who currently has the required permits.

The City contacted Manhole Adjusting, Inc., to determine if they are willing to do the contract work at the unit prices bid by them in March of this year. They have indicated they will perform the work at those bid prices. The difference in contract price between Intermountain Slurry Seal, Inc., and the next lowest bidder, Manhole Adjusting, Inc., is approximately 13 percent.

This matter was reviewed by Deputy City Attorney Linda Trang on July 25, 2011 and by Budget Management Officer Victoria Bell on July 26, 2011.

### SUSTAINABILITY

The street will be resurfaced with asphalt containing recycled rubber from old tires. It is estimated that up to 25 tires will be recycled through the use of rubberized asphalt in this project.

City Council action on this matter is requested on August 16, 2011, to authorize commencement of this Public Works project. Construction is projected to begin in September 2011 and is estimated to take 20 working days.

The contract award is for an estimated amount of \$251,996, plus a 15 percent contingency of \$37,799, if necessary and if funds are available. Measure "R" funding for this project is budgeted in the Citywide Residential Street Repair program in

the Transportation Fund (SR 182) in the Department of Public Works (PW). There is no impact to the General Fund. It is estimated that this construction project will provide funding for three full-time equivalent construction jobs.

Approve recommendation.

MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER