



Legislation Text

File #: 14-0352, **Version:** 1

Recommendation to authorize City Manager to execute a Third 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 total amount not to exceed \$45,000,000, and extend the contract term to February 26, 2016, at the discretion of the City Manager. (Citywide)

On February 19, 2013, the City Council authorized the City Manager to execute an on-call 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. 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 August 13, 2013, the City Council authorized a Second Amendment in the amount of \$15,000,000 that was necessary to deliver the increase of infrastructure improvement projects resulting from additional one-time funding. During FY 2013, the City Council appropriated one-time funding of \$2,600,000 for residential street resurfacing and slurry seal pavement maintenance, and \$6,122,707 for infrastructure improvements. This funding was in addition to \$18,425,000 of street rehabilitation funding and \$1,450,000 of Tidelands funding for beach parking lot upgrades included in the FY 13 Adopted Capital Improvement Program budget.

The programmed street and airport-related projects included in the FY 14 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 \$15,000,000, and extending the term for an additional year to February 28, 2016. 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. The maximum amount of work orders that can be issued under this on-call contract amendment will be \$15,000,000. 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 and City Manager Departments, to construct a variety of street, pavement, and parking lot-related projects.

This matter was reviewed by Deputy City Attorney Linda Vu on April 23, 2014 and by Budget Management Officer Victoria Bell on April 28, 2014.

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.

City Council's action on this matter is requested on May 13, 2014 in order to continue with the delivery of programmed street and airport taxiway projects planned for FY14 and FY15.

The contract authority increase of \$15,000,000, for a revised total not to exceed \$45,000,000, 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.

Approve recommendation.

ARA MALOYAN, PE
DIRECTOR OF PUBLIC WORKS

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER