



SUPPLEMENTAL

COUNCIL AGENDA: 08-29-06

ITEM: 6.4

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: STREET RESURFACING 2006

DATE: 08-25-06

Approved

Date

8/25/06

COUNCIL DISTRICT: 2, 3, 4, 5, 7, 8

REASON FOR SUPPLEMENTAL

To provide additional information obtained after bids were opened for Street Resurfacing 2006 project.

RECOMMENDATION

Report on bids and award of contract for the Street Resurfacing 2006 Project to the low bidder, O'Grady Paving Inc., in the amount of \$1,752,930.25 and approval of a ten percent contingency in the amount of \$175,293.

CEQA: Exempt, PP06-066

BACKGROUND

A memorandum dated August 9, 2006 was forwarded to City Council for the August 29, 2006 Council meeting. The purpose of this supplemental memorandum is to provide additional information obtained after the bid opening.

ANALYSIS

Bids were opened on August 24, 2006 with the following results:

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Granite Construction Company (Watsonville)	\$1,907,823.00	\$ 125,623.57	7.05
Engineer's Estimate	\$1,782,199.43	--	--
O'Grady Paving Inc. (Mountain View)	\$1,752,930.25	(\$29,269.18)	(1.64)

The low bid submitted by O'Grady Paving Inc., is 1.64 percent below the Engineer's Estimate. The Engineer's Estimate is based on past resurfacing projects and on a steady trend of high construction costs experienced over the last several years. Staff considers the low bid submitted for this project to be competitive and legitimate for the work to be performed and recommends award of contract to O'Grady Paving Inc.

Council Policy provides for a standard contingency of ten percent on public works projects involving street resurfacing. Staff considers the standard contingency appropriate for this project.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Project Delivery	\$ 150,000.00
Construction	\$ 1,752,930.25
Contingency	<u>\$ 175,293.03</u>
TOTAL:	\$ 2,078,223.28

3. SOURCE OF FUNDING: 465 – Construction Excise Tax Fund
 450 – Services for Redevelopment Capital Project Fund
 001 – General Fund Capital Improvements

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amount for Contract	2006-2007 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	6123	Street Maintenance	\$6,620,000	\$1,072,930.25	V-961	N/A
450	5202	10 th & 11 th Street Lane Reduction	\$469,000	\$469,000.00	V-928	N/A
001	4197	Bailey Avenue Resurfacing	\$211,000	\$211,000.00	N/A	N/A
<u>Total Funding Available</u>			<u>\$7,300,000</u>	<u>\$1,752,930.25</u>		