

AGENDA ITEM NO.

COUNCIL MEETING April 10, 2007

APPROVED BY

DEPARTMENT DIRECTOR \_\_\_\_\_

CITY MANAGER \_\_\_\_\_

April 10, 2007

**FROM:** JON R. RUIZ, Interim Director  
Public Works Department

**BY:** SCOTT L. MOZIER, PE, Assistant Director  
Public Works Department, Engineering Division

LALKUMAR GOONAWARDENA, PE  
Public Works Department, Engineering Division

**SUBJECT:** AWARD A CONTRACT IN THE AMOUNT OF \$309,100 TO LOUIS R. AVILA DBA L & K EQUIPMENT FOR RECONSTRUCTION OF THE CEDAR/NORTH AVENUE INTERSECTION  
BID FILE NO. 2691

### **KEY RESULT AREA**

One Fresno

### **RECOMMENDATIONS**

Staff recommends that the City Council award a contract in the amount of \$309,100 to Louis R. Avila DBA L & K Equipment for reconstruction of the Cedar/North Avenue intersection.

### **EXECUTIVE SUMMARY**

The intersection of Cedar Avenue and North Avenue is located in the industrial part of the City of Fresno and is frequently used by vehicles transporting heavy loads. The existing pavement at this location has deteriorated badly and impairs the smooth flow of traffic. The existing pavement has experienced failure such that an overlay is not an option and full reconstruction is required. Proposition 42 funding for this project is included in the FY 07 budget. With a low bid at 22% below the Engineer's Estimate, staff recommends the Council award the contract for construction.

### **KEY OBJECTIVE BALANCE**

This project balances the Key Objectives of Customer Satisfaction, Employee Satisfaction and Financial Management. Customer Satisfaction is achieved by providing better road conditions to its end users. Employee Satisfaction and Financial Management will be achieved by properly maintaining City assets.

## **BACKGROUND**

Several years ago the State of California withheld approximately \$3,350,000 in Traffic Congestion Relief Program funds due the City of Fresno for the fiscal years 2004 and 2005 to balance the State budget. These funds were repaid this fiscal year and were appropriated by the Council for expenditure. An analysis of the TCRP program requirements and the current needs of the City determined that the funds should be spent on street maintenance issues immediately. The Department of Public Works is seeking to reconstruct the intersection of Cedar Avenue and North Avenue.

A Notice Inviting Bids was advertised in the Business Journal on March 7, 2007, posted on the City's website and faxed to six building exchanges. Specifications were distributed to eleven prospective bidders. Nine sealed bid proposals were received and opened in a public bid opening on March 27, 2007. Bid proposal prices for the Base Bid ranged from \$309,100 to \$508,000.

Louis R. Avila DBA L & K Equipment of Fresno submitted the lowest bid price in the amount of \$309,100 and is considered to be the lowest responsive and responsible bidder. The staff determination was posted on the City's website on April 2, 2007. The recommended award amount is 22% below the Engineer's Estimate for this project.

Council may award a contract in the amount of \$309,100 to Louis R. Avila DBA L & K Equipment. The project will be completed within thirty (30) working days from the date of the Notice to Proceed.

The Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately sixty days.

## **FISCAL IMPACT**

See attached Fiscal Impact Statement. If the contract is not awarded, the City will be in jeopardy of losing these Proposition 42/TCRP funds that must be expended by June 30, 2007.

JRR/SLM/LAG/eam  
Awd Contract for Cedar-North Recon of Intersec 4-10-07

Attachments: Fiscal Impact Statement  
Evaluation of Bid Proposals

FISCAL IMPACT STATEMENT

CEDAR/NORTH RECONSTRUCTION  
BID FILE 2691-11188

PROGRAM: PW00423, FUND/ORG 24007/189901

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$309,100.00</u>	_____
Indirect Cost	<u>\$ 35,000.00</u>	_____
TOTAL COST	<u>\$344,100.00</u>	_____
Additional Revenue or Savings Generated	<u>\$0</u>	_____
Net City Cost	<u>\$344,100.00</u>	_____
Amount Budgeted (If none budgeted, identify source)	_____	_____

Indirect costs consist of the following:

Construction Management,	
Surveying and Contract Compl.:	\$21,000.00
Contract Engineering Support:	\$ 3,000.00
Contract Contingencies	\$10,000.00
Project Closeout:	\$ 1,000.00
<u>Total</u>	<u>\$35,000.00</u>

**EVALUATION OF BID PROPOSALS**

FOR: CEDAR/NORTH AVENUE INTERSECTION RECONSTRUCTION

Bid File No. 2691  
Bid Opening: March 27, 2007

<b>BIDDER'S</b>	<b>TOTAL NET BID AMOUNT</b>
Louis R. Avila dba L & K Equipment 6271 W Bullard Ave Fresno, CA 93722	\$309,100.00
American Paving Co. P.O. Box 4348 Fresno, CA 93706	\$313,072.00
Dave Christian Construction 2233 S Minnewawa Fresno, CA 93727	\$314,866.00
Yarbs Enterprise 11339 S Peach Fresno, CA 93725	\$325,147.66
Emmett's Excavation, Inc. 1477 Menlo Ave Clovis, CA 93611	\$450,600.00
Garcia Paving Company, Inc 2951 S Elm Fresno, CA 93706	\$474,530.00
Clark Bros. Inc. 19772 S Elgin Dos Palos, CA 93620	\$478,998.00
Withbro Inc. Seal Rite Paving 959 Clovis Clovis, CA 93612	\$504,737.00
Serna Construction, Inc. 5019 E Nevada Fresno, CA 93727	\$508,016.98

Each bidder has agreed to allow the City sixty-two (62) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, April 25, 2007, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$ 399,000 . The contract price is 22 % below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

**EVALUATION OF BID PROPOSALS**

FOR: CEDAR/NORTH AVENUE INTERSECTION RECONSTRUCTION

Bid File No. 2691  
Bid Opening: March 27, 2007

**BACKGROUND OF PROJECT** (To be completed by Evaluating Department/ Division. Explain need for project/equipment):

The existing pavement at the intersection of Cedar and North Avenue is badly deteriorated due to heavy trucks passing in the intersection and age of the pavement. This project will replace the deteriorated pavement and will enhance traffic flow at the intersection.

**DEPARTMENT CONCLUSIONS AND RECOMMENDATION:**

Award a contract in the amount of \$ 309,100.00 to Louis R. Avila dba L & K Equipment  
6271 W Bullard Ave Fresno, CA 93722 as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

*Scott Nij*  
Title Asst. Director  
Date 3/29/07

- Approve Dept. Recommendation       Approve GSD/Purchasing Recommendation
- Disapprove       Disapprove
- See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER

*Janet Smith* 3/29/07  
Purchasing Manager      Date

*Bob Kroll* 4/2/07  
City Manager or Designee      Date

*K. Knerl* 3/29/07  
Director      Date