

MEETING DATE: 10/23/06

AGENDA ITEM: Consideration to Approve a Budget Amendment to
Allocate California State Traffic Congestion Relief
Mitigation Funds and Playa Vista Mitigation Funds to
Washington Boulevard Resurfacing Project (P-843)

ATTACHMENTS

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Date: 7/24/06		Item Number: <u>A-8</u>	
AGENDA ITEM: Consideration to Approve a Budget Amendment to Allocate the Traffic Congestion Relief Mitigation Funds, Playa Vista Mitigation Funds, Unallocated Gas Tax Funds, and the portion of the project funds from Alley Reconstruction Project (P-295) to Washington Boulevard Resurfacing Project (P-843), Culver Boulevard Pavement Reconstruction (P-837) and Residential Overlay Project (P-863)			
Contact Person/Dept.: Lee Torres/ Elaine Jeng/ Public Works		Phone Number: (310) 253-5623 and (310) 253-5622	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List via email on July 19, 2006.			
Department Approval: Charles D. Herbertson (07/14/06)		City Manager Approval: Jerry B. Fulwood (07/19/06)	
City Controller Approval: Marlee Chang (07/19/06)			
<u>RECOMMENDATION:</u> Staff recommends the Council approve budget amendments to allocate Unreserved Gas Tax Funds and a portion of the project funds from Alley Reconstruction Project (P-295) to the Washington Boulevard Resurfacing Project (P-843), Culver Boulevard Pavement Reconstruction Project (P-837) and Residential Overlay Project (P-863). <u>BACKGROUND:</u> On July 25, 2005, the Redevelopment Agency approved the plans and specifications and authorized the advertising for bids for the Agency funded Washington Boulevard Resurfacing Project, P-843, and for the Culver and Washington Boulevard Pavement Reconstruction Projects, P-837 and P-838. Due to the high bid amounts that greatly exceeded the project budgets, all bids were rejected on September 19, 2005 by the Agency. The Agency was also notified by Staff that the projects were to be re-advertised for construction bids in Spring/Summer 2006. In May of 2006, three projects were advertised for construction bids to create a larger project in order to stimulate competitive bids, reduce the unit cost for related construction materials and the cost of mobilization. However, Washington Boulevard Pavement Reconstruction, P-838, was replaced with Residential Overlay Project, P-863, in order to meet minimum qualifications to submit an application for the competitive Targeted Rubberized Asphalt Concrete (RAC) Incentive Grant			

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Program. The competitive grant provides financial assistance to local agencies for the differential cost of using rubberized asphalt concrete versus conventional asphalt concrete. The grant also includes assistance for Quality Assurance Testing required for the installation of the rubberized asphalt concrete.

On July 10, 2006, Council approved the submittal of the Targeted RAC Incentive Grant Program application in the amount of \$79,000 to assist in supplementing the existing construction budget, which was submitted on July 18, 2006. Since the grant is competitive there is no guarantee that we will receive additional funding from this source.

The scope of work for three projects consist of the following,

Washington Boulevard Resurfacing Project

Washington Boulevard between Sepulveda Boulevard and Elenda Avenue is an arterial street and is identified in the Pavement Management System as a high priority for resurfacing. The existing asphalt pavement has deteriorated due to age and impacts from high traffic. The project consists of the following:

1. Removal of 3.0 inches of the existing asphalt concrete pavement by grinding and replacing it with 3.0 inches of new rubberized asphalt concrete along Washington Boulevard between Harter Avenue and Huron Avenue.
2. Removal of 1.5 inches of the existing asphalt concrete pavement by grinding and replacing it with 1.5 inches of new rubberized asphalt concrete along Washington Boulevard between Sepulveda Boulevard and Harter Avenue and between Huron Avenue and Elenda Street.
3. At the intersection of two minor residential streets (Commonwealth Avenue and Center Street) at the south side of Washington Boulevard significant surface distress has been identified. The pavement in this area will require complete reconstruction..
4. Reconstruction of commercial driveways to allow for ADA accessibility within the project limits and replacement of all damaged curb and gutter and sidewalk.

Add Alternate for Washington Boulevard Resurfacing Project

1. Removal of 12 inches of asphalt and replacement with 4 inches of crushed aggregate base and 8 inches of Portland cement concrete on a portion of the westbound lanes of Washington Boulevard adjacent to Sepulveda Boulevard.
2. Remove and reconstruction various concrete sidewalks.
3. Construct cut-off wall and install root barrier adjacent to the ficus trees on the northerly side of Washington Boulevard adjacent to Elenda Street.

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4. Construct a concrete bus pad on the easterly lanes of Washington Boulevard adjacent to Elenda Street

Add Alternate - Culver Boulevard Pavement Reconstruction Project

Portions of eastbound Culver Boulevard #2 (curb) lane between Le Bourget and Jasmine Avenues is exhibiting structural failure.

As per the recommendation by Chec Engineering Consultants, the work for pavement reconstruction will consist of the removal existing pavement, base and subgrade to a depth of 12 inches and replacement with 12 inches of full depth asphalt pavement. The new subgrade is required to be compacted to a minimum of 95%.

Add Alternate Residential Overlay Project

This project consists of the grinding 2 inches of the existing AC pavement and overlaying with rubberized asphalt concrete on the following streets:

- Sawtelle Boulevard (Sepulveda Boulevard to Malat Way)
- Grayridge Drive (Sawtelle Boulevard to cul de sac)
- Deshire Place (Overland Avenue to cul de sac)
- Franklin Avenue (Sepulveda Boulevard to Huntley Avenue)
- Karen Circle (Rhoda Way to cul de sac)
- La Salle Avenue (Culver Boulevard to Braddock Drive)
- La Salle Avenue (Farragut Drive to cul de sac)
- Jackson Avenue (Farragut Drive to cul de sac)
- Madison Avenue (Farragut Drive to cul de sac)

This project also includes the removal and the replacement of sections of failed roadway pavement with full depth asphalt (12" AC), replacement of traffic loops, the re-striping of traffic lanes, delineating pavement markings, and the installation of raised pavement markers.

DISCUSSION:

On July 13, 2006, the Deputy City Clerk publicly opened bids. Four (4) contractors responded with the following bid amounts:

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	CONTRACTOR	BID AMOUNTS
1	Contractor #1	
	Washington Boulevard P-843	\$786,779
	Add Alternate #1	\$145,305
	Culver Boulevard P-838	\$121,840
	Residential Overlay P-863	\$476,420
2	Contractor #2	
	Washington Boulevard P-843	\$846,000
	Add Alternate #1	\$173,495
	Culver Boulevard P-838	\$ 88,000
	Residential Overlay P-863	\$469,000
3	Contractor #3	
	Washington Boulevard P-843	\$852,505
	Add Alternate #1	\$179,920
	Culver Boulevard P-838	\$114,910
	Residential Overlay P-863	\$550,530
4	Contractor #4	
	Washington Boulevard P-843	\$936,770
	Add Alternate #1	\$153,830
	Culver Boulevard P-838	\$ 88,875
	Residential Overlay P-863	\$280,460

Upon review of the bid amounts for rubberized asphalt concrete, the material costs are 80% higher than two years ago. There has been no slowdown in the increase in costs for construction due to high petroleum prices. Rubberized asphalt is mostly composed of components of aggregate, asphalt, and recycled rubber tire material. Asphalt emulsion and rubber tires are derived from petroleum products. The costs to produce these materials, deliver them to the job site, overlay, and compaction, requires large amounts of fuel. At the time this report was written on July 13, crude oil closed at a record high of \$78.00 a barrel. The recent increase of crude oil prices has influenced the volatility of world commodity prices and has impacted the costs to construct projects.

Staff does not believe that re-bidding the projects will result in lower bid amounts. The recently passed California state budget has released \$1 billion for local street resurfacing projects. Also, the multi-billion dollar bond initiative for infrastructure improvements includes significant funding for street paving state wide and is on the California ballot in November 2006. The infusion of new funds including the possible influx of bond funds may create further increases in construction costs due to the limited availability of raw materials, continued volatility in world market prices, and fewer contractors available to bid projects.

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As evident by the above table, staff has not provided the City Council with any information regarding the names of the bidders. Staff has done that to insure the decisions regarding the financing of the project and which alternates will be chosen are not influenced by who may have submitted bids. After the City Council chooses which alternates to fund, then staff will return at a later date to award a construction contract. That process will help create a clear record the ultimate award of the contract will be based on the lowest overall bid, not who submitted it.

Staff is recommending financing the projects as described in the fiscal analysis section. Staff is proposing that the City Council approve financing the construction of Washington Boulevard Resurfacing Project, P-843, Culver Boulevard Pavement Reconstruction Project, P-837, and Residential Overlay Project, P-863 only. The bid alternate for Washington Boulevard is not recommended to be constructed. This bid alternate for P-843 is to construct various improvements such as concrete pavement, bus pad, root barrier, cut-off wall, and sidewalk replacement and these extra items are not necessary for the minimum requirements to resurface the street.

If the City Council approves the motions, staff will return on August 14, 2006, to recommend awarding to the lowest responsible bidder based on the bid alternatives that are approved.

FISCAL ANALYSIS:

Current Project Budget

Washington Boulevard Resurfacing Project, P-843	
Funding Source	Amount
Redevelopment Agency (55393503.730100)	\$515,405
Total =	\$515,405

Culver Boulevard Pavement Reconstruction Project, P-837	
Funding Source	Amount
Redevelopment Agency (55393501.730100)	\$95,000
Total =	\$95,000

Residential Overlay Project, P-863 and Residential Slurry Seal Project, P-864	
Funding Source	Amount
General Fund (I & A)	\$400,000

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(42000863 - \$325,000 and 42000864 - \$75,000)	
Total =	\$400,000

Total Budget for Washington Resurfacing, Culver Boulevard, and Residential Overlay Projects	\$1,010,405
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Estimated Project Expenses	
Washington Blvd Resurfacing Project, P-843	\$786,779
Culver Boulevard Pavement Reconstruction Project, P-837	\$88,875
Residential Overlay Project, P-863 Construction Cost	\$476,420
Construction Inspection	\$30,000
Geotechnical Construction Services (Observation & Testing)	\$10,000
Total Estimated Project Cost	\$1,392,074
Contingency	\$50,000
Total Project Expense	\$1,442,074

An additional \$431,669 would be required to sufficiently fund the construction of the projects.

Therefore, staff recommends the following budget amendments:

Budget Amendments	
Source	Amount
Traffic Congestion Relief Funds	\$131,039
Increase revenue estimate of Traffic Congestion Relief Funds	\$43,875
Alley Reconstruction, P-295	\$50,000
Gas Tax Fund Balance	\$50,000
Playa Vista Mitigation Funds	\$157,295
Total	\$431,669

Staff recommends that \$431,669 be transferred to the project budget to adequately fund the Washington Boulevard Resurfacing Project, P-843.

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Playa Vista Mitigation funds are recommended to be used for the resurfacing of Sawtelle Boulevard from Sepulveda and Malat Way. This portion of street was mentioned in the Playa Vista EIR Phase 1 as a street that will be impacted by traffic generated by the development of Playa Vista Phase 1.

ATTACHMENT:

1. Location Maps.

MOTION:

That the City Council:

- 1) Approve a budget amendment to appropriate \$50,000 from Gas Tax Fund Balance to budget line item 41800843, Washington Boulevard Resurfacing Project, P-843,
- 2) Approve a budget amendment to increase revenue estimate of \$43,875 (Account #42300843.344510) from Traffic Congestion Relief Funds and allocate the same amount to budget line item 42300843 Washington Boulevard Resurfacing Project, P-843,
- 3) Approve a budget amendment to transfer New Development Impact Funds in the amount of \$50,000 from budget line item 41700295 to budget line item 417000843, Washington Boulevard Resurfacing Project, P-843, and
- 4) Approve a budget amendment to transfer General Funds in the amount of \$74,460 from Residential Slurry Seal Project budget line item 42000864 to budget line item 42000863, Residential Overlay Project, P-863.

A 4/5th vote is required to approve the budget amendments.