

PUBLIC IMPROVEMENT AGREEMENT

THIS AGREEMENT made at the City of Reedley, by and between Steve Dovali Construction, Inc., HEREINAFTER CALLED the **Contractor** and the CITY OF REEDLEY, hereinafter called the **Owner**.

WITNESSETH: That the Contractor and the Owner, for the consideration hereinafter named, agree as follows:

SECTION A

The Contractor agrees to furnish all labor and materials, including tools, implements, and appurtenances required, and to perform all work in a good and workmanlike manner, free from any and all liens and claims of mechanics, materialmen, Subcontractors, artisans, machinists, teamsters, draymen, and laborers, required for: **REED AVENUE TRENCH UTILITY PLAN** in the City of Reedley, including all appurtenances thereto, in strict compliance with the Bid and Contract Documents and the Special Provisions dated May 19, 2017.

SECTION B

The Contractor and the Owner agree that the Bid and Contract Documents, as completed by the Contractor, the Prevailing Wage Rate Determination as determined by the State Director of Industrial Relations, or Federal Wage Rate Determination as determined by the Secretary of Labor, whichever is higher, the Standard Specifications dated May 2010, of the State of California, Department of Transportation, and any supplementary specifications referenced therein, the Standard Plans, the Special Provisions including the General Provisions, the Plans and Drawings, and the Standard Specifications, together with this Agreement, form the contract, and they are as fully a part of this contract as if herein repeated. No part of said Specifications which is in conflict with any portion of this agreement shall be considered as any part of this agreement, but shall be utterly null and void.

SECTION C

The Owner agrees to pay the Contractor in current funds for the Performance of the contract ONE MILLION FORTY-EIGHT THOUSAND SIX-HUNDRED SIXTY DOLLARS AND FIFTY CENTS (\$1,048,662.50), it being understood that said price is based upon the estimated quantities of materials to be used as set forth in the Proposal, and upon completion of the project the final contract price shall be revised, if necessary, to reflect the true quantities used at the stated unit price thereof as contained in the Contractor's Proposal hereto attached.

SECTION D

If the Contractor shall be adjudged as bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he or any of his Subcontractors should persistently or repeatedly refuse or fail to make prompt payment to Subcontractors or for material or labor, or persistently disregard laws, ordinances, or the instructions of the City Engineer of the City of Reedley, hereinafter referred to as Engineer, then the Owner may upon certificate of the Engineer when sufficient cause exists to justify such action, serve written notice upon the Contractor and his surety of its intention to terminate the contract, and unless within five (5) days after service of such notice, such violations shall cease and satisfactory arrangement for correction thereof be made, the contract shall, upon the expiration of said five (5) days, cease and terminate.

In the event of any such termination, the Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the contract, provided, however, that if the surety within ten (10) days after the serving upon it of notice of termination does not give Owner written notice of its intention to take over and perform the contract or does not commence performance thereof within the ten (10) days stated above from the date of the serving of such notice, the Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor, and the Contractor and his surety will be liable to the Owner for any excess cost occasioned the Owner thereby, and in such event the Owner, may without liability for so doing, take possession of and utilize in completing the work such materials, appliances, plant and other property belonging to the Contractor as may be on the site of the work and necessary therefore.

In such case, the Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the contract price shall exceed the expenses of finishing the work, including compensation for additional managerial and administration services, such excess shall be paid to the Contractor. If such expense shall exceed such unpaid balance, the Contractor shall pay the difference to the Owner. The expense incurred by the Owner, as herein provided, and damage incurred through the Contractor's default, shall be certified by the Engineer.

SECTION E

With respect to any work required to be done under this contract, the Contractor shall indemnify and hold harmless the Owner (City of Reedley), the State of California, the United States of America, and all other participating public agencies whether or not said agencies are named herein who have jurisdiction within the areas under which the work is to be performed and all officers, officials, volunteers and employees of the Owner, the State of California, the United States of America and said other participating agencies against any and all claims, demands, causes of action, damages, (including damages to the Owner's property or property of any participating agencies) costs, or liabilities (including costs, or liabilities of the Owner, or the participating agencies with respect to its employees) in law or in equity of every kind and nature whatsoever, directly or proximately resulting from or caused by the performance of the contract whether such performance by the Contractor, his Subcontractor, or anyone directly or indirectly employed by him; and the Contractor shall, at his sole risk and expense, defend any and all suits, actions, or other legal proceedings, which may be brought or instituted by third persons against the Owner, their participating agencies, their officers and employees on any such claim, demand, or cause of action and the Contractor shall pay and satisfy any judgment or decree which may be rendered against the Owner, their participating agencies, their officers and employees and any such suit, action, or other legal proceedings.

The Contractor shall furnish the Owner with a Certificate of Insurance, indicating insurance coverage with respect to the liability assumed by the Contractor under the provisions of this article, and shall further indicate insurance coverage with minimum limits as shown in the project specifications.

The Certificate of Insurance shall further provide that a minimum thirty (30) days notice of cancellation or reduction in coverage shall be given the Owner.

An Additional Insured Endorsement to the Contractor's Liability Insurance policy naming the City of Reedley, its officers, officials, employees and volunteers, and other participating public agencies (if applicable) and all officers and employees of the above shall also be furnished.

Additionally, prior to the start of work, Contractor is required to obtain insurance for the San Joaquin Valley Railroad. See appendix for insurance requirements.

SECTION F

Contractor represents that he has secured the payment of Worker's Compensation in compliance with the provisions of the Labor Code of the State of California and during performance of the work contemplated herein will continue so to comply with said provisions of said Code. Contractor shall supply the Owner with the insurance data and certificates as set forth in the specifications. The Certificates of Insurance evidence that Worker's Compensation Insurance is in effect as well as employer's liability insurance with limits of \$1,000,000 per accident and providing that the Owner will receive thirty (30) days notice of cancellation. If the Contractor self-insures Worker's Compensation, Certificate of Consent to Self-insure shall be provided the Owner.

SECTION G

Contractor shall forthwith furnish in triplicate a faithful performance bond in an amount equal to One-Hundred (100%) percent of the contract price and a payment (labor and materials) bond in an amount equal to One-Hundred (100%) percent of the contract price, both bonds to be written by a surety company acceptable to the Owner and in the form prescribed by law.

The payment bond shall include a provision that if the Contractor or his Subcontractors shall fail to pay (a) amounts due under the Unemployment Insurance Code with respect to work performed under the contract or (b) any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of the employees of the Contractor and Subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, then the surety will pay these amounts. In case suit is brought upon the payment bond, the surety will pay a reasonable attorney's fee to be fixed by the court.

SECTION H

Should either party to the contract bring an arbitration or mediation proceeding or other action to enforce any provisions of the contract, including an action pursuant to Public Contract Code Section 20104.4, the prevailing party shall be entitled to recover reasonable attorney's fees and all costs in connection therewith. The term "prevail" as used in this section shall include any action at law, in equity, or pursuant to arbitration in which either party has been successful.

SECTION I

Time is of the essence. The improvement and work contemplated in the performance of this contract is predicated on suitable weather conditions as determined by the City Engineer. In the event the City Engineer determines that suitable conditions are not experienced during the contract period (after the notice to proceed) it is agreed that the contract may be delayed by weather and will be credited additional days as provided in the specifications, but no additional monetary compensation. Any such delay shall be documented and processed on the standard change order form.

IN WITNESS WHERE OF, they have executed this agreement the 14th day of August, 2017.

CONTRACTOR,

Steve Davali Construction

OWNER,

CITY OF REEDLEY

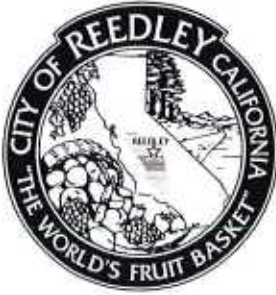
BY: Paul Sorrel
Sorrel Sorrel / V.P.

(Print Name Below Signature Line)

BY: Nicole R. Zieba
NICOLE R. ZIEBA
CITY MANAGER

RECOMMEND FOR APPROVAL

BY: John S. Robertson
JOHN S. ROBERTSON, P.E.
CITY ENGINEER



REEDLEY CITY COUNCIL

- ☒ Consent
- ☐ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

ITEM NO: 7

DATE: June 27, 2017

TITLE: ADOPT RESOLUTION NO. 2017-061 AWARDED A CONSTRUCTION CONTRACT TO STEVE DOVALI CONSTRUCTION, INC. FOR CONSTRUCTION OF THE REED AVENUE JOINT UTILITY TRENCH PROJECT IN THE AMOUNT OF \$1,048,662.50 AND GRANT THE CITY MANAGER AUTHORITY TO APPROVE CHANGE ORDERS UP TO AN AMOUNT APPROXIMATELY EQUAL TO 10% OF THE CONSTRUCTION CONTRACTED AMOUNT

SUBMITTED: John S. Robertson, P.E. *JSR*
City Engineer

APPROVED: Nicole Zieba *NZ*
City Manager

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2017-061 and take the following action:

1. Adopt Resolution No. 2017-061, awarding a construction contract to Steve Dovali Construction, Inc. for the construction of the Reed Avenue Underground Joint Utility Trench project in the amount of \$1,048,662.50 and grant authority to the City Manager to approve change orders up to an amount approximately equal to 10% of the construction contracted amount

EXECUTIVE SUMMARY

Staff is requesting that the City Council adopt Resolution No. 2017-061 awarding a construction contract to Steve Dovali Construction, Inc. (Contractor) and authorizing the City Manager to execute a construction contract for the Reed Avenue Underground Joint Utility Trench project (Project). Additionally, the approved resolution grants authority to the City Manager to sign and approve change orders up to an amount approximately equal to 10% of the contracted amount or \$105,000.

The Project is fully funded through the Rule 20 program. The California Public Utilities Commission Rule 20 program allows PG&E to collect credits in the form of fees from rate payers within all jurisdictions which they provide service. The collected credits can then be used by the agency to construct joint trenches and ultimately underground power poles within their jurisdiction limits.

Due to the high cost of these types of projects, the City worked with the County to receive unused County credits to apply to and fully fund this project. The credits will be used to cover the cost for the construction of the underground joint utility trench to be installed with this project and the future undergrounding of the power lines and removal of power poles by PG&E.

PROJECT DESCRIPTION/BACKGROUND

The City of Reedley annually receives Rule 20 credits that, in conjunction with credits received from the County of Fresno, were applied to fully fund the construction of the joint trench and ultimately the undergrounding of power poles on Reed Avenue from Manning to Aspen Avenue.

On May 19, 2017 a Notice to Bidders for the Project was advertised in the Fresno Business Journal for a period of twenty (20) days. On the June 6, 2017 a bid opening was conducted in City Hall. Two (2) bids were received, opened, and read aloud. The bids received ranged from \$1,048,662.50 to \$1,413,571.50 as shown in the attached bid summary. The engineer's estimate of probable cost for the Bid Schedules A, B, and C was \$950,000. The higher bids are due to greater than expected cost for asphalt concrete and lineal foot of joint trench construction.

FISCAL IMPACT

At the completion of the project, the cost for construction of the project will be reimbursed to the City by PG&E through the collected Rule 20 credits.

ATTACHMENTS

1. Bid Tabulation for Reed Avenue Trench Utility Plan
2. Resolution No. 2017-061, award a construction contract for the Reed Avenue Trench Utility Project to Steve Doval Construction, Inc.

Motion: _____
Second: _____

CITY OF REEDLEY - REED AVENUE TRENCH UTILITY PLAN

BID SUMMARY 06/06/2017

#2

#1

				Steve Dovali Construction, Inc.	West Valley Construction Co, Inc.
BID SCHEDULE A: Reed Avenue Trench Utility Plan PG&E Items					
Item No.	Quantity	Unit	Item Description	Unit Price	Total Amount
1	1	LS	Mobilization	\$43,200.00	\$43,200.00
2	1	LS	Traffic Control	\$28,000.00	\$28,000.00
3	1	LS	Storm Water Pollution Prevention Plan	\$1,000.00	\$1,000.00
4	1	LS	Dust Control & BMP	\$500.00	\$500.00
5	1	LS	Lead Compliance Plan	\$400.00	\$400.00
6	1	LS	Clearing & Grubbing (F)	\$62,750.00	\$62,750.00
7	220	TN	Hot Mix Asphalt (F)	\$390.00	\$85,800.00
8	3	EA	Concrete Curb Ramp (F)	\$4,618.00	\$13,854.00
9	3,655	SF	Concrete Sidewalk (F)	\$7.10	\$25,950.50
10	9,404	LF	6-Inch Conduit - PG&E (F)	\$9.40	\$88,397.60
11	7,894	LF	4-Inch Conduit - PG&E (F)	\$6.20	\$48,942.80
12	1,255	LF	3-Inch Conduit - PG&E (F)	\$5.50	\$6,902.50
13	16	EA	Underground Utility Vaults - PG&E (F)	\$5,000.00	\$80,000.00
14	13	EA	Precast Equipment Pad - PG&E (F)	\$3,100.00	\$40,300.00
15	3,165	LF	18" Utility Trench - Joint Trench (F)	\$33.35	\$105,552.75
16	3,611	LF	36" Utility Trench - Joint Trench (F)	\$44.15	\$159,425.65
17	1	LS	Miscellaneous Facilities	\$85,000.00	\$85,000.00
18	1	LS	Fresno County Encroachment Permit	\$5,000.00	\$5,000.00
Total Bid Schedule A:					\$880,975.80
BID SCHEDULE B: Reed Avenue Trench Utility Plan Comcast Items					
Item No.	Quantity	Unit	Item Description	Unit Price	Total Amount
19	8,542	LF	2-Inch Conduit - Comcast (F)	\$4.60	\$39,293.20
20	24	EA	Underground Utility Vaults - Comcast (F)	\$2,130.00	\$51,120.00
21	64	LF	18" Utility Trench - Comcast (F)	\$14.00	\$896.00
Total Bid Schedule B:					\$91,309.20
BID SCHEDULE C: Reed Avenue Trench Utility Plan Frontier Items					
Item No.	Quantity	Unit	Item Description	Unit Price	Total Amount
22	9	EA	Underground Utility Vaults - Frontier (F)	\$3,120.00	\$28,080.00
23	6,566	LF	4-Inch Conduit - Frontier (F)	\$6.15	\$40,380.90
24	41	LF	2-Inch Conduit - Frontier (F)	\$4.60	\$188.60
25	480	LF	18" Utility Trench - Frontier (F)	\$16.10	\$7,728.00
Total Bid Schedule C:					\$76,377.50
Total Bid Schedule A+B+C:					\$1,048,662.50
					\$85,254.75
					\$1,413,571.50

RESOLUTION NO. 2017-061

**A RESOLUTION TO THE CITY COUNCIL OF THE CITY OF REEDLEY
AWARDING A CONSTRUCTION CONTRACT TO STEVE DOVALI
CONSTRUCTION, INC., FOR THE REED AVENUE TRENCH UTILITY
PLAN PROJECT IN AMOUNT OF \$1,048,662.50 AND GRANT THE
CITY MANAGER AUTHORITY TO SIGN CHANGE ORDERS
APPROXIMATELY EQUAL TO 10% OF THE CONSTRUCTION
CONTRACTED AMOUNT**

WHEREAS, the City of Reedley issued a Notice to Contractors for the Reed Avenue Trench Utility Plan project; and

WHEREAS, the City received, opened and read aloud two (2) bids which the Bid Schedules A, B, & C ranged from \$1,048,662.50 to \$1,413,571.50; and;

WHEREAS, the lowest, most responsive and responsible bid for the Bid Schedules A, B, & C was submitted by Steve Doval Construction, Inc.; and

WHEREAS, on June 27, 2017 held a Public meeting at the City of Reedley, City Council Chamber, at 845 "G" Street, and received a staff report to award a construction contract for Bid Schedules A, B, & C in the amount of \$1,048,662.50.

NOW, THEREFORE, BE IT RESOLVED that the City of Reedley, City Council, using their independent judgment approved this resolution based on the following:

1. The above recitals are true and correct; and
2. That the contract for Reed Avenue Trench Utility Plan, is awarded to Steve Doval Construction, Inc., for the unit and lump sum prices as bid for the Bid Schedules A, B, & C, the total amount of the contract being \$1,048,662.50.
3. That the City Manager is authorized and directed to promptly execute the contract for the subject work with Steve Doval Construction, Inc. subject to the submittal of the necessary bonds, insurance certificates, and other necessary documents required by the specifications and special provisions for this project, all for the approval by and to the satisfaction of the City Engineer or the City Attorney.
4. The City Manager is hereby authorized to execute contract change orders to the contract for this project and shall not exceed approximately 10% of the total bid or \$105,000 without prior approval of this City Council.
5. The total construction budget for this project, including the construction contract, contingency and construction engineering costs shall not exceed \$1,258,662.50.
6. This resolution is effective immediately upon adoption.

This foregoing resolution is hereby approved and adopted at a regular meeting of the City Council of the City of Reedley held on the 27th day of June, 2017, by the following vote:

AYES: Soleno, Beck, Pinon, Betancourt.

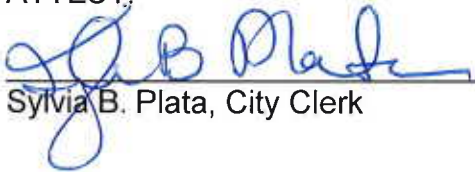
NOES: None.

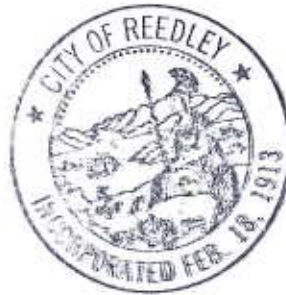
ABSTAIN: None.

ABSENT: Fast.


Anita Betancourt, Mayor

ATTEST:


Sylvia B. Plata, City Clerk



Resolution No. 2017-061