



CITY OF SIGNAL HILL
STAFF REPORT

2175 Cherry Avenue • Signal
Hill, California 90755-3799

11/13/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: THOMAS BEKELE
PUBLIC WORKS DIRECTOR/CITY ENGINEER**

**SUBJECT: FINAL ACCEPTANCE OF CALIFORNIA AVENUE IMPROVEMENTS PROJECT
PURSUANT TO THE PUBLIC WORKS CONTRACT WITH EXCEL PAVING
COMPANY**

Summary:

On March 11, 2025, the City Council awarded the Fiscal Year (FY) 2024-2025 Pavement Management Program Project related to California Avenue Improvements (Project No. 90.25003) to PALP Incorporated, dba Excel Paving Company (Excel Paving). The project included removing and reconstructing approximately 44,640 square feet of pavement along California Avenue, from Spring Street to 28th Street, with pavement removal depths ranging from 17 to 22.5 inches. Excel Paving completed the scope of work in accordance with City standards, ADA guidelines, and the approved project specifications meeting the requirements of the Public Works Department. Staff requests the City Council declare final acceptance of the Pavement Management Project for a final contract amount of \$896,032.35 and direct staff to record a Notice of Completion with the Los Angeles County Recorder's office and process the contract retention release.

Strategic Plan Goal(s):

Goal No. 4 Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces.

Recommendations:

1. Accept the work in conformance with the plans and specifications for the California Avenue Improvements Project in accordance with the contract entered into between PALP Incorporated, dba Excel Paving Company, and the City of Signal Hill, and authorize the City Manager to execute the Notice of Completion; and
2. Direct staff to record the Notice of Completion with the Los Angeles County Registrar-

Recorder's office.

Fiscal Impact:

The budget for the Fiscal Year (FY) 2024-25 Pavement Management Program (PMP) was \$1,209,145 (Project No. 90.25003). Funding for the PMP consisted of Proposition C (Fund 203), Measure M (Fund 237), Measure R (Fund 236), RMRA (Fund 238), and CIP Reserves (Fund 113). The contract amount awarded for the construction of California Avenue Improvements related to the PMP project was \$946,725.98 plus a contract contingency of \$129,479.19, for a total construction budget of \$1,076,205.17. The actual field-installed quantities required to complete the excavation and paving work were less than the original bid quantities. As a result, the final contract amount totaled \$896,032.35.

Unforeseen conditions during construction, including the removal and relocation of unidentified utility pipelines, caused project delays. According to the Notice to Proceed executed by the City, the original project completion date was June 26, 2025. However, other utility companies required additional time to remove abandoned infrastructure and relocate existing pipelines, which extended the completion date to July 21, 2025. As a result, the City expended a portion of the project costs in the FY 2025-26 PMP budget. The City incurred \$566,088.38 in FY 2024-25 and \$329,943.97 in FY 2025-26.

Excel Paving Contract	FY 2024-25	FY 2025-26	Total
Prop C	\$242,146.79	\$0.00	\$242,146.79
Measure M	\$170,000.00	\$0.00	\$170,000.00
Measure R	\$150,000.00	\$0.00	\$150,000.00
RMRA	\$3,941.59	\$329,943.97	\$333,885.56
CIP Reserves	\$0.00	\$0.00	\$0.00
Total	\$566,088.38	\$329,943.97	\$896,032.35

Background and Analysis:

On March 11, 2025, the City Council approved a Public Works contract with Excel Paving for the California Avenue Improvements Project. The City extended the contract term for 60 calendar days, with a not-to-exceed contract amount of \$946,725.98, plus a contingency of \$129,479.19. The City Council authorized staff to utilize up to a 30-calendar day extension, and a total approved construction budget of \$1,076,205.17, consistent with the City's Purchasing and Contracting Guidelines.

This Project included the complete reconstruction of approximately 44,640 square feet of pavement on California Avenue, from Spring Street to 28th Street, with pavement removal and replacement depths ranging from 17 inches to 22.5 inches. The Project also included the installation of six new traffic loops, striping and markings, valve and manhole adjustments, and the removal and reconstruction of 332 linear feet of metal beam guardrail. Due to conservative engineering bid estimates, the actual field-installed quantities required to complete the excavation and paving work were lower than the contracted bid amount. The final contract amount, including approved change

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orders for additional scope of work and final quantities authorized by the Public Works Director during construction, was \$896,032.35, resulting in a net cost lower than the original estimate.

Excel Paving completed the Project in conformance with the City's specifications, including approval of the final quantities. The City completed its final inspection of the Project's punch list. Staff recommends that the City Council declare final acceptance of the Project based on the contractor's successful completion of the Project to the City's satisfaction, and upon final acceptance, staff would record a notice of completion with the Los Angeles County Recorder's office.

Reviewed for Fiscal Impact:

Siamlu Cox
Administrative Services Office/Finance Director

Attachment:

A. Notice of Completion