



STAFF REPORT

3/11/2025

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: PUBLIC WORKS CONTRACT WITH PALP, INCORPORATED, DBA EXCEL PAVING COMPANY (EXCEL PAVING) FOR THE CALIFORNIA AVENUE IMPROVEMENTS PROJECT

Summary:

The City's Pavement Management Plan (PMP), approved by the City Council in 2022, outlines pavement management strategies based on current conditions and the optimal long-term maintenance strategy from a cost perspective. The PMP serves as a guiding framework to prioritize the maintenance of approximately 35 miles of City streets. The PMP provides recommendations to enhance the overall Pavement Condition Index (PCI), which measures pavement quality on a scale from 0 to 100, with 100 representing the best condition.

For Fiscal Year 2024-25, the City finalized plans and specifications for the California Avenue Improvements Project. This project involves 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 4 to 22.5 inches. Following a comprehensive and competitive bidding process, staff recommends the City Council award a contract to PALP Incorporated, dba Excel Paving Company (Excel Paving), identified as the lowest responsive bidder, for a term of 60 calendar days and a not-to-exceed budget of \$946,725.98. Staff recommends the City Council authorize the City Manager to execute a Public Works Contract with Excel Paving, with construction scheduled to begin on March 31, 2025, and anticipated completion by June 2025.

Strategic Plan Goal(s):

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

Recommendation:

1. Authorize the City Manager to enter into a Public Works Contract with Excel Paving, for the construction of the California Avenue Improvements Project, for a term of 60 calendar days and a not-to-exceed contract amount of \$946,725.98, in a form by the City Attorney.
2. Authorize a contingency of \$129,479.19 and up to a 30-calendar day extension to accommodate additional scope of work and changes or unforeseen conditions, to be utilized if approved by the Public Works Director, for a total construction budget of \$1,076,205.17.
3. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF SIGNAL HILL, CALIFORNIA AMENDING THE ADOPTED BUDGET AND AUTHORIZING BUDGET APPROPRIATIONS FOR THE FISCAL YEAR 2024-25

Fiscal Impact:

The City’s Fiscal Year 2024-25 Pavement Management Program (PMP) budget \$1,000,000. To date, costs and encumbrances total \$52,899.41, leaving a remaining balance of \$947,100.59. The Public Works Department is requesting a budget appropriation of \$209,145 to increase the project budget. These additional funds would cover the construction contract cost and provide a 14% contingency for unforeseen conditions during construction, material testing, and consultant construction support services. Based on the utility investigation conducted by Public Works and the estimates for removing both known and unforeseen utility lines, as well as the condition of those utilities, a 14% contingency is more appropriate than the 10% prescribed in the City’s Purchasing Policy.

The FY 2024-25 Capital Improvement Program (CIP) budget for Pavement Management is funded through Measure R (County), Measure M, Proposition C, and the Road Maintenance and Rehabilitation Act (RMRA). The requested \$209,145, if approved, would be allocated from unallocated funds in Proposition C and RMRA, as outlined below.

Project Funding	Total Project Budget (Requested)	Current Budget	Funds Requested	Actuals & Encumbrances	Construction & Material Testing Support	Excel Bid (This Contract)
Measure R	\$150,000	\$150,000		-		\$150,000
Measure M	\$170,000	\$170,000		-		\$170,000
Prop C	\$294,940	\$230,000	\$64,940	\$52,793		\$242,147
RMRA	\$344,205	\$200,000	\$144,205			\$344,205
CIP Res	\$250,000	\$250,000		\$106	\$80,040	\$169,854
Total	\$1,209,145	\$1,000,000	\$209,145	\$52,899	\$80,040	\$1,076,205

The total cost of the proposed contract is \$946,725.98 plus the 14% contingency, for a total project

cost of \$1,076,205.17.

Background:

The City is responsible for the ongoing maintenance of approximately 35 miles of roadway. On August 23, 2022, the City Council adopted the citywide Pavement Management Plan (PMP), which outlines pavement management strategies for maintaining publicly owned streets based on current conditions and the most cost-effective long-term maintenance approach. The Los Angeles County Metropolitan Transportation Authority also approved the PMP which complies with Proposition C local return guidelines.

The PMP provides recommendations for maintenance and repair strategies to preserve and improve the overall Pavement Condition Index (PCI) of City streets. The PCI measures pavement quality on a scale from 0 to 100, with 100 representing a street in the best possible condition. Generally, the PMP recommends applying slurry seal or other surface treatments, such as high-density mineral bond (HDMB) or cape seal, on a 5-to-7-year cycle for streets in good or fair condition. This approach extends pavement life, delaying the need for more costly grind and overlay or full reconstruction projects. For streets in poor condition, either grind and overlay or reconstruction is necessary, depending on the extent and type of pavement failure.

Since the last PMP update, the City has undertaken both types of projects as part of its pavement management strategy, allocating between \$1 million and \$1.8 million annually to gradually increase the citywide PCI. Over the past two fiscal years, the City has completed five pavement management Capital Improvement Program (CIP) projects as summarized below:

- In FY 2022-2023, the Public Works Department implemented three major pavement management CIP projects using the annual pavement management budget. These projects included two slurry seal applications covering approximately one million square feet of City streets. The third project involved the reconstruction of approximately 26,000 square feet of Ohio Avenue, from Hill Street to Skyline Drive.
- For FY 2023-2024, the Public Works Department completed two major pavement restoration projects on Palm Drive, Cherry Avenue, and Jessie Nelson Circle. The Palm Drive project, from Obispo Avenue to East Willow Street, included approximately 49,700 square feet of asphalt pavement repair, incorporating a combination of overlay and deep-lift reconstruction, along with sidewalk and driveway repairs and restoration of traffic striping and markings. The Cherry Avenue restoration project involved approximately 85,000 square feet of 2-inch grind and overlay and street reconstruction, as well as the restoration of traffic loops, striping, and markings. Jessie Nelson Circle received a Type II slurry seal coating over 13,300 square feet, along with traffic striping and marking restoration.

The FY 2024-2025 Pavement Management CIP project will focus on the reconstruction of approximately 44,640 square feet of pavement on California Avenue, from Spring Street to 28th Street, with removal depths ranging from 4 inches to 22.5 inches. The project will also include 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.

Prior to construction, the Public Works Department conducted utility potholing to locate existing underground utilities within the project area. During this phase, the City identified multiple utilities and contacted to coordinate work and verify whether any active lines were within the excavation depths. For those active utility lines found within the removal depths, the City will implement a subgrade reinforcement designed by the City's geotechnical consultant. Although the potholing process identified existing lines, there is no guarantee that additional utilities will not be encountered during construction. The City will coordinate closely with the contractor and utility providers throughout the project.

Due to the complexity of this project and the nature of the work, a full closure of California Avenue will be required during existing pavement removal and underground work, which is expected to last approximately three weeks. The City notified surrounding businesses and residents about the closure and will continue to provide updates regarding traffic control measures and project timelines.

Analysis:

Upon the completion of design plans and specifications, on February 7, 2025, the City posted a Notice Inviting Bids at the City's public notice locations, sent the notice to subscribers through the City's website, and posted the information on PlanetBids via the City's portal. The following table below lists the bids received by the bid due date of February 28, 2024:

Contractor	Bid Total
PALP dba Excel Paving Company	\$946,725.98
All American Asphalt	\$1,138,573.00
ONYX PAVING COMPANY INC.	\$1,356,000.00

PALP dba Excel Paving Company (Excel Paving), the lowest bidder, submitted all required documents prior to the bid deadline. Staff verified that Excel Paving and its subcontractors hold the necessary licenses to perform the proposed work under this contract. Staff also conducted reference checks on the company's listed projects in the Statement of Qualifications, confirming Excel Paving as the lowest responsive and responsible bidder.

Recommendation:

Staff recommends the award of contract to Excel Paving in the amount of \$946,725.98 for a term of 60 calendar days. Upon the City Council's approval, staff would issue a Notice to Proceed and begin coordinating with the contractor. If approved by the City Council, the construction of the project would start on March 31, 2025, with completion anticipated by June 2025.

Reviewed for Fiscal Impact:

Siamlu Cox

Attachment(s):

3/11/2025

- A. Contract
- B. Resolution