



Agenda Item #: \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Cohen and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Jim Arndt, Director of Public Works  
 Steve Finton, City Engineer  
 Michael A. Guerrero, Principal Civil Engineer

**DATE:** October 20, 2009

**SUBJECT:** Disbursement of Progress Payment No. 1 in the net amount of \$325,977.36 for the Peck Avenue Improvement Project to All American Asphalt

**RECOMMENDATION:**

Staff recommends that the City Council pass a motion to approve the issuance of the subject progress payment.

**FISCAL IMPLICATION:**

<b>Budget</b>	
2009-10 Gas Tax Fund	\$220,000.00
2008-09 Proposition 1B Fund	\$588,000.00
<b>TOTAL BUDGET</b>	<b>\$808,000.00</b>
<b>Anticipated Expenditures</b>	
Construction Contract (All American Asphalt)	\$417,417.00
Contingency (10%)	\$ 42,000.00
Design Contract (Willdan Engineering)	\$ 38,180.00
Inspection Contract (KOA-CBM)	\$ 21,420.00
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$519,017.00</b>
<b>Recommended Progress Payment: All American Asphalt</b>	
<b>Progress Payment No. 1 (Recommended)</b>	<b>\$325,977.36</b>
Total Progress Payments to Date	\$325,977.36
Balance in Contract	\$ 91,439.64
Balance of Contingency Funding	\$ 42,000.00

**BACKGROUND:**

At its meeting of May 19, 2009, Council awarded a contract to All American Asphalt in the amount of \$417,417.00 to construct the Peck Avenue Improvement Project, authorized the Director of Public Works to approve additional work in an amount not-to-exceed \$42,000, and awarded a contract for construction inspection services to KOA Corporation – CBM Consulting in the amount of \$21,420. Willdan Engineering had previously provided design services for the project at a contract cost of \$38,180.00, which was approved by Council at its March 4, 2008 meeting.

Peck Avenue pavement from Manhattan Beach Boulevard to Artesia Boulevard was deteriorated due to age and heavy use. Additionally, large trees adjacent to Mira Costa High School uplifted and damaged the pavement requiring localized pavement reconstruction. This project included grinding the existing asphalt pavement and placing a new asphalt pavement overlay. Localized areas of deteriorated and uplifted pavement were reconstructed, and displaced and damaged curb, gutter and sidewalk were replaced.

Proposition 1B funds in the amount of \$588,000 were appropriated for the project through the Fiscal Year (FY) 2008-09 Capital Improvement Program (CIP) and a supplemental appropriation of Gas Tax funds in the amount of \$220,000 were appropriated through the FY 2009-10 CIP bringing total appropriations to \$808,000. Total estimated expenditures of \$519,017 are below the total budget due to lower bid prices received in current construction market. Asphalt and concrete prices have reduced significantly in recent months due to the economy. A balance of Gas Tax funds in the amount of \$220,000 will remain after project completion and will be returned to fund balance for future appropriation to other unfunded Gas Tax projects. A balance of Proposition 1B Funds in the approximate amount of \$69,000 will also remain.

**DISCUSSION**

***Progress Payment No. 1***

The Contractor has completed 99% of the work and is currently working on punch list items. The Contractor has submitted a request for Progress Payment No. 1 in the net amount of \$325,977.36. All work items covered by this payment have been reviewed by the Public Works Department and found to be in conformance with the plans and specifications.

xc: Henry Mitzner, Controller