



# Staff Report

## City of Manhattan Beach

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

**THROUGH:** Richard Thompson, Interim City Manager

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

**DATE:** February 16, 2010

**SUBJECT:** Disbursement of Progress Payments:

- a) Progress Payment No. 1 in the net amount of \$135,116.82 for the Valley Drive Resurfacing Project to Sully-Miller Contracting Co.
- b) Progress Payment No. 1 in the net amount of \$110,924.39 for the Aviation Boulevard Resurfacing Project to Sully-Miller Contracting Co.

**RECOMMENDATION:**

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

**FISCAL IMPLICATION:**

<b>Table 1</b>	<b>Aviation Boulevard Resurfacing Project</b>	<b>Valley Drive Resurfacing Project</b>	<b>Total</b>
<b>Budget</b>			
Federal Stimulus Funds	\$364,000	\$710,000	\$1,074,000
<b>Expenditures</b>			
Construction Contract (Sully-Miller Contracting Co.)	\$159,630	\$472,560	\$ 632,190
Construction Contingency (5%)	\$ 7,981	\$ 23,628	\$ 31,609
Inspection Contract (KOA/CBM)	\$ 48,864	\$ 70,000	\$ 118,864
<b>Total Estimated Expenditures</b>	<b>\$216,475</b>	<b>\$566,188</b>	<b>\$ 782,663</b>
<b>Balance Credited to City's SAFETEA-LU STP-L Account</b>	<b>\$147,524</b>	<b>\$143,812</b>	<b>\$ 291,336</b>

<b>Table 2</b>			
<b>Recommended Progress Payments: Sully-Miller Contracting Co.</b>			
Construction Contract (Sully-Miller Contracting Co.)	\$159,630.00	\$472,560.00	\$ 632,190.00
<b>Progress Payment No. 1 (Recommended)</b>	<b>\$110,924.39</b>	<b>\$135,116.82</b>	<b>\$246,041.21</b>
Total Progress Payments to Date	\$110,924.39	\$135,116.82	\$246,041.21
Current Balance in Contract	\$ 48,705.61	\$337,443.18	\$386,148.79

Federal Stimulus funds provided through the American Recovery and Reinvestment Act (ARRA) have been allocated for this project on a reimbursement basis with no local match required.

**BACKGROUND:**

At its meeting of November 3, 2009, Council passed a motion to:

- a) Award a contract to Sully-Miller Contracting Company in the amount of \$159,630.00 to construct the Aviation Boulevard Resurfacing Project and Authorize the Director of Public Works to approve additional work in an amount not-to-exceed \$7,981.00.
- b) Award a contract to Sully-Miller Contracting Company in the amount of \$472,560.00 to construct the Valley Drive Resurfacing Project and Authorize the Director of Public Works to approve additional work in an amount not-to-exceed \$23,628.00.
- c) Award a Professional Engineering Services contract to KOA Corporation / CBM Consulting in an amount not-to-exceed \$118,864.00 for construction management/inspection services.

Aviation Boulevard

Aviation Boulevard from Manhattan Beach Boulevard to Marine Avenue was deteriorated and required resurfacing. The project included cold milling of the existing asphalt roadway surface and construction of a new asphalt overlay. The project also included striping/traffic markings, traffic signal detection loops, and minor concrete construction. Since Aviation Boulevard has a functional classification as a major arterial street, it is eligible for federal funding.

Valley Drive

Valley Drive from 15th Street to Sepulveda Boulevard was deteriorated and required resurfacing. The project included cold milling of the existing asphalt roadway surface and construction of a new asphalt overlay. The project also included full roadway reconstruction of significantly deteriorated areas, striping/traffic markings, traffic signal loops, and minor concrete construction. Since Valley Drive has a functional classification as a collector street, it is eligible for federal funding.

**DISCUSSION:**

Valley Drive: Progress Payment No. 1

The Contractor has completed 100% of the work and is currently working on final punch list items prior to acceptance of the project.

The Contractor has submitted a request for Progress Payment No. 1 in the net amount of

\$135,116.82 for the Valley Drive Resurfacing Project. All work items covered by these payments have been reviewed by the Public Works Department and found to be in conformance with the plans and specifications.

Aviation Boulevard: Progress Payment No. 1

The Contractor has completed 100% of the work and is currently working on final punch list items prior to acceptance of the project.

The Contractor has submitted a request for Progress Payment No. 1 in the net amount of \$110,924.39 for the Aviation Boulevard Resurfacing Project. All work items covered by these payments have been reviewed by the Public Works Department and found to be in conformance with the plans and specifications.

Balance of Funds at Time of Contract Award

Funds provided through ARRA were designated specifically for the Valley Drive and Aviation Boulevard projects. The federal government allocated ARRA funds to the projects in amounts significantly greater than were requested by the City. There was concern on the part of local agencies that the balance of ARRA funds would be taken back by the State or federal government to apply to other projects statewide or nationwide. However, the Metropolitan Transportation Authority (MTA) stepped-in in December 2009 and offered to swap local agency balances of ARRA funds with a commensurate amount of “*Surface Transportation Program – Local*” (STP-L) funds originally provided through the “*Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users*” (SAFETEA-LU, 2005). The City took advantage of this one-time offer by the MTA and swapped \$291,336 in ARRA funds for STP-L funds (Table 1, line 6).

xc: Henry Mitzner, Controller  
Jeanne D. O’Brien, Accountant