



**CITY OF HAWAIIAN GARDENS
CITY COUNCIL
STAFF REPORT**

Agenda Item #{{section.number}}4

DATE: May 10, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Ernesto Marquez, City Manager

BY: Maryann Marks, Interim Community Development Director
Yunus Rahi, City Engineer

RECOMMENDATION:

RECOMMENDATION TO ADOPT RESOLUTION NO. 022-2022, ACCEPTING COMPLETION OF CITY OF HAWAIIAN GARDENS STREET IMPROVEMENT PROJECT FY 2020-21 BY SEQUEL CONTRACTORS, INC., FILING NOTICE OF COMPLETION WITH COUNTY OF LOS ANGELES, AND RELEASING RETENTION AMOUNT TO CONTACTOR

SUMMARY

At the July 17, 2021 City Council meeting, the City awarded the construction contract to Sequel Contractors, Inc. (contractor) of Santa Fe Springs, California in the amount of \$378,043.26 for construction of FY 2020-21 Street Rehabilitation Project (CDBG Project No. 602338-20). The project consisted of pavement resurfacing and rehabilitation of 8 (eight) street segments. The project's scope of work includes grinding existing asphalt concrete; overlaying the full street width with Asphalt Rubber Hot Mix (ARHM); crack and slurry sealing, removing and replacing damaged curbs and gutters, sidewalks; installing new ADA compliant curb ramps; restriping and upgrading existing crosswalks with thermoplastic paint for the following streets:

Street Name	Beginning Location	Ending Location
Horst Avenue	Tilbury Street	214 th Street
Seine Avenue	Civic Center Drive	Carson Street
224 th Street	Norwalk Boulevard	Belshire Avenue
Devlin Avenue*	Carson Street	Civic Center Drive

216th Street*	Norwalk Boulevard	Horst Avenue
Juan Avenue	Carson Street	214 th Street
Belshire Avenue	221st Street	224th Street
223 rd Street	Juan Avenue	Norwalk Boulevard

*CDBG Funds-eligible This Project included HUD Community Development Block Grant (CDBG) funding subject to Section 3 requirements. The Section 3 Program includes bid preferences for a bidder who is a qualified “Section 3 Business Concern”.

A “Section 3 Business” is a business where fifty-one percent (51%) of the business is owned by a resident of Los Angeles/Orange County that meets the income guidelines; or 30% or more of the permanent workforce are residents who live in Los Angeles/ Orange County and meet the income guidelines.

The engineer’s estimate for the project was \$402,326.00. The lowest responsive bidder, Sequel Contractors, Inc., was selected as a qualified contractor with a valid contractor’s license, who has completed other projects of this nature. Staff has reviewed their proposal and found it to be in compliance with the bid and contract documents. Their bid in the amount of \$378,043.26 is 6% under the engineer’s estimate.

Sequel Contractors, Inc., after receiving a Notice to Proceed (NTP) from the City, started the project on August 16, 2021 and substantially completed all tasks by October 30, 2021. As of November 1, 2021, Infrastructure Engineers, Inc. (IE), construction management team, deemed the project substantially completed in accordance with the improvement plans and contract specifications. There were no unresolved stop notices or outstanding construction claims against the contractor. However, the contract change orders increased Sequel’s contract price to \$384,388.85.

Carmen Simon, Labor Compliance Supervisor at CDBG funds administrator Los Angeles County Development Authority (LACDA), conducted a contract and labor compliance file review on November 10, 2021 of this CDBG-funded Project (No. 602338-20). The purpose of the review was to determine if the City complied with the federal, state, and local regulations that apply to this project and to ensure that the participating construction contractor complied with federal contract compliance requirements.

Based on this review, LACDA determined that the City and the contractor, Sequel Contractors Inc, had met all applicable regulations and contract compliance requirements. Therefore, the five-percent retention of CDBG project expenditures reported on the City’s CDBG Funding Request(s) submitted to date was available for release upon submission of City’s final Funding Request.

Staff recommends accepting the project as complete and releasing the final retention payment to Sequel Contractors, Inc. within the prescribed timeline.

FISCAL IMPACT

The total Project budget was \$660,000.00 funded as follows:

Item	Fund	Budget
1.	CDBG	\$100,247.00
2.	Measure R	\$81,848.00
3.	SB-1	\$253,086.00
4.	General Fund MOE/SB1	\$224,819.00
Total		\$660,000.00

A construction contingency of 10% or \$37,805.00, was set aside to address unforeseen conditions during construction. The total construction budget was \$430,848.26. The estimated project expenses are as follows:

Project Budget	Amount
Construction Estimate	
Construction	\$378,043.26
10% Contingency	\$37,805.00
Sidewalk Improvements	\$15,000.00
Construction Total	\$430,848.26
Engineering & Construction Mgmt Estimates	
Plans/Specs/Eng Est	\$79,000.00
Inspection/Construction Mgmt	\$34,198.00
Labor Compliance	\$6,035.00
Material Testing	\$7,000.00
Project Administration	\$16,000.00
Eng. & Const. Mgt. Total	\$142,233.00
Project Totals	\$573,081.26

The construction budget of \$430,848.26 was adequate to cover construction contractor's three invoices (a total of \$384,388.85) to complete the project. City paid the contractor the invoiced amount less the 5% retention totaling \$19,219.44.

SUGGESTED ACTION

Approve Recommendation.

ATTACHMENTS

- A. Resolution No. 022-2022
- B. Notice Of Completion (NOC)
- C. Contractor's Retention Invoice