



Staff Report

File #: 24-0260

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 04/03/2024

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Utilities Department
Community Services Department
Public Works Department

SUBJECT:
SECOND AMENDMENT TO THE MAINTENANCE/GENERAL SERVICES AGREEMENT WITH A&Y ASPHALT CONTRACTORS, INC. FOR ON-CALL AND EMERGENCY CITYWIDE ASPHALT REPAIRS

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve the Second Amendment to the Maintenance/General Services Agreement, with A&Y Asphalt Contractors, Inc., for on-call and emergency citywide asphalt repairs. The Utilities Department uses A&Y Asphalt Contractors, Inc., to restore paving after making repairs to water, sewer, and reclaimed water infrastructure. Also, the Public Works Department utilizes A&Y Asphalt Contractors, Inc., to proactively maintain City streets and address minor street improvements submitted by the public as well as staff.

RECOMMENDED ACTION:

That the City Council:

- a. Approve and authorize the City Manager, or his designee, to execute the Second Amendment to the Maintenance/General Services Agreement with A&Y Asphalt Contractors, Inc., for on-call Citywide asphalt repairs through June 30, 2025.
- b. Authorizes the City Manager, or his designee, to increase the contract by \$590,000 for on-call and emergency asphalt repairs to A&Y Asphalt Contractors, Inc., bringing the total contract amount to \$1,250,000 per fiscal year, for Fiscal Years 2024 and 2025.
- c. Authorizes the City Manager, or his designee, to negotiate and execute any non-substantive extensions, change orders, purchase orders, and amendments up to 10% or \$125,000.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct that the City Council take the above actions.

BACKGROUND & HISTORY:

On July 7, 2021, the City Council awarded Notice of Inviting Bids (NIB) 21-076RH for on-call Citywide asphalt repairs to A&Y Asphalt Contractors, Inc., (A&Y) in the amount of \$600,000. In Fiscal Year (FY) 2024, a first amendment to increase the contract value by 10% to \$660,000 was issued. The services provided by A&Y are performed under a shared contract used mainly by the Utilities Department (UD) and the Public Works Department (PW). UD uses paving services to repair roadways after repairs to the water, sewer, and reclaimed water infrastructure are made. UD proactively makes repairs to its infrastructure to avoid service disruption and utilizes these services to preserve/restore the street pavement system within the City and its service area to its original condition. This work is collected and scheduled monthly to obtain the best available contract pricing from the contractor. Additionally, UD may have asphalt work at some of their facilities and will also use the on-call services agreement with A&Y. PW oversees the street pavement maintenance and rehabilitation program, which returns the City’s streets to be as close as possible to their original condition. In addition, PW evaluates each request and schedules this work based on priority, scope, and work request aging and utilizes A&Y to complete this work.

ANALYSIS:

In the past two years, the water infrastructure system has experienced an increased number of water leaks and breaks, incurring higher than anticipated repair expenses. The existing PO with A&Y has approximately \$25,000 available for on-call pavement restoration services for the remainder of FY24 after a change order of 10% or \$60,000 was processed. However, this is not sufficient to cover services needed through the end of the current fiscal year. The table below outlines the current charges made to this vendor’s purchase order and the projected amount needed through the end of this fiscal year and the following fiscal year.

UD staff utilized A&Y to do a few projects at Water Reclamation Facility No. 1 such as the Brine Pond asphalt cap repairs and asphalt patching throughout the facility. Staff solicited bids from various vendors and A&Y provided the lowest bid for these projects.

The City does continuous work on asphalt and that work doesn’t always stop because the fiscal year changes. The invoices totaling \$125,385 related to work performed in FY23 arrived a few months into FY24 and the FY24 Blanket Purchase Order was used to process payment.

Expense Type	Charges To Date FY24	Remaining to Spend for FY24	Estimated Spend for FY24	FY25 Projection
Utilities - Infrastructure FY2023	\$124,385	-	\$124,385	-
Utilities - Infrastructure FY2024	\$290,902	\$581,804	\$872,706	\$925,000
Utilities - Facility Maintenance FY2024	\$9,777	-	\$9,777	-

Work at Water Reclamation Facility #1	\$126,923	-	\$126,923	-
Public Works - Street Repairs	\$22,375	\$77,625	\$100,000	\$200,000
Community Services - Building Maintenance	-	-	-	\$125,000
Grand Total	\$574,362	\$659,429	\$1,233,791	\$1,250,000

Based on these projections, staff requests approval of a change order in the amount of \$590,000 to A&Y for as needed services through the end of FY24 for a total of \$1,250,000 and for FY25. This service is scheduled to be bid in FY2025. Remaining and projected work for PW cannot proceed until the approval of the amendment as there may not be sufficient funds on the current Purchase Order due to invoicing delays.

Original PO Value	\$600,000
Change Order #1	\$60,000
Amended PO Value	\$660,000
Recommended Change Order #2	\$590,000
Recommended Total PO Amount	\$1,250,000

FINANCIAL IMPACT:

Funding for the recommended action is available in various FY24 Operating and Maintenance Projects. Within the Utilities Department, funding is available in the Waterline Infrastructure Project No. 71930, Sewerline Infrastructure Project No. 71950, and Reclaimed Waterline Infrastructure Project No. 73900, within the Water Utility Fund (570), Sewer Utility Fund (572), and Reclaimed Water Utility Fund (567), respectively. Within the Public Works Department, funding is available in the Pavement Maintenance and Resurfacing Project No. 69220 within the Gas Tax Fund (222). Within the Community Services Department, funding is available in the Parks' Division operating budget within the General Fund (110) and Measure X Fund (120). Funding for future fiscal years will be requested through the annual budget process.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Act (CEQA), which states that "operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the CEQA determination" and is therefore exempt from CEQA. This action involves repairs to existing roadway infrastructure to restore asphalt surface and therefore is exempt from the requirements of CEQA. Therefore, no environmental analysis is required.

PREPARED BY: AFTAB HUSSAIN, MAINTENANCE MANAGER

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

REVIEWED BY: SAVAT KHAMPOU, PUBLIC WORKS DIRECTOR

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REVIEWED BY: DONNA FINCH, COMMUNITY SERVICES DIRECTOR

Attachments:

1. Exhibit 1 - Second Amendment