

Council Meeting of  
July 20, 2010

Honorable Mayor and Members  
 of the City Council  
 City Hall  
 Torrance, California

**Members of the Council:**

**SUBJECT: Public Works - Award of Public Works Agreement for the FY2009-10 Residential Slurry Seal Program, I-100. Expenditure: \$489,035.80**

**RECOMMENDATION**

Recommendation of the Public Works Director that City Council:

1. Approve the specifications for the FY2009-10 Residential Slurry Seal Program, I-100 (B2010-11); and
2. Accept the letter from Pavement Coatings Co. acknowledging an irregularity in Bid Schedule A of their Bidder's Proposal for the FY2009-10 Residential Slurry Seal Program, I-100 (B2010-11) and waive said irregularity; and
3. Award a one-year Public Works Agreement to Pavement Coatings Co. in an amount not-to-exceed \$466,951.00 for construction of the FY2009-10 Residential Slurry Seal Program, I-100 and authorize a contingency in the amount of \$22,084.80 for said Agreement.

**Funding**

Funding is available from: CIP I-100 (\$441,696 for Bid Schedule A plus \$22,084.80 for 5% contingency); the Water Operating Budget (\$4,295 for Bid Schedule B); the Community/Park Services Operating Budget (\$6,200 for Bid Schedule B); the Public Works Street Operations Budget (\$7,780 for Bid Schedule C); and the Parking Lot Resurfacing at the Torrance Police Department, FEAP 563 (\$6,980 for Bid Schedule D).

**BACKGROUND**

**Residential Slurry Seal Program, I-100**

The Residential Street Slurry Seal Program is a multi-year program included in the City's adopted Capital Budget as project I-100 ("I-100 Program"). The I-100 Program is part of the City's pavement management efforts and involves the application of slurry seal to the surface of local roadways. Slurry seal is a thin coating consisting of a mixture of liquid asphalt, sand and other materials. The slurry seal application helps to seal cracks in the pavement, which reduces water infiltration and helps extend the life of the original pavement. Slurry seal is a cost-effective maintenance method.

The FY2009-10 I-100 Program will provide for the application of slurry seal on several residential streets in five neighborhoods throughout the City. These streets were selected based on the condition of the existing pavement, current maintenance needs and the length of time that has elapsed since previous pavement repairs were completed in a neighborhood area.

### **Relevance to Strategic Plan**

The Residential Street Slurry Seal, I-100 is included in the May 2010 Strategic Plan as part of Strategic Priority 5 – Infrastructure and Goal #2 (pg 51). Completion of this project will be consistent with meeting one of our goals for this Strategic Priority.

### **ANALYSIS**

This project was advertised for bid in May 2010 and 6 bids were received and opened on June 24, 2010. The amounts listed below are bid amounts calculated and confirmed by staff and not amounts that may have been incorrectly calculated by a bidder and shown on its Bidder's Proposal.

| <b><u>BIDDER</u></b>           | <b><u>TOTAL BID AMOUNT<br/>FOR SCHEDULES A, B, C, AND D</u></b><br>(amount excludes the \$15,000 allowance for pavement markings in Schedule C, as city crews will perform the work) |
|--------------------------------|--|
| 1. Pavement Coatings Co.       | \$ 466,951.00  |
| 2. Roy Allan Slurry Seal, Inc. | \$ 479,105.00  |
| 3. Doug Martin Contracting Co. | \$ 526,465.00  |
| 4. American Asphalt South      | \$ 534,075.00  |
| 5. Valley Slurry Seal Co.      | \$ 625,916.00  |
| 6. All American Asphalt        | \$ 640,552.00  |

The Engineer's estimate for this project is \$450,000.

When bids were opened and bid amounts were read aloud, Pavement Coatings Co. ("PCC") initially had the second lowest bid price for Bid Schedule A, which provided pricing for all residential streets included in the project. However, staff's subsequent review of all bids identified a mathematical error (irregularity) in PCC's Bid. PCC listed a bid price of \$474,696.00 for Bid Schedule A. However, staff confirmed the actual and correct bid amount to be \$441,696.00. PCC's error was with item #3 in Bid Schedule A. PCC intended to list a unit price of \$36,750.00, but instead listed a unit price of \$3,750.00. Consequently, this revealed a \$33,000 discrepancy in PCC's bid price and a lower overall bid price for Bid Schedule A.

Per the project specifications, when a mathematical error occurs, the unit price shall govern. Staff recalculated PCC's bid and determined their actual total bid price for

Bid Schedule A to be \$441,696.00, which resulted in PCC becoming the lowest bidder. Staff immediately notified PCC of their error. In accordance with the Public Contract Code, PCC was then required to either honor the corrected, reduced bid price or request to be relieved of its bid. PCC responded in writing to acknowledge the irregularity and chose to honor the corrected, reduced bid price for Bid Schedule A. It should be noted that the City Council can waive any irregularity in such bids. The Public Works Director, based on advice provided by the City Attorney's Office, recommends that the City Council waive the irregularity in PCC's bid.

PCC, considering the waived irregularity, becomes the lowest, responsive bidder. They are well known in the Los Angeles and Southern California area, having successfully completed slurry seal projects for Torrance and other cities and agencies. Staff has checked PCC's license and references and found them satisfactory and in order.

### **Slurry Seal of pavement areas at 3 City Facilities**

#### **Walteria Reservoir – Bid Schedule B for \$10,495.00**

The Walteria Reservoir is located on the east side of Crenshaw Blvd between Crest Rd and Rolling Hills Rd. It also serves as a public tennis/recreational facility. The pavement surface for the access roads and parking areas is deteriorating. To extend the pavement life, it is desired to slurry seal these pavement areas. It is cost effective to perform the slurry seal in conjunction with the I-100 Program, as the cost is much lower than performing the work with a separate project. The cost will be paid from Operating budgets from the Community Services and Public Works Departments due to the shared use of the facility. Gas Tax funds from the I-100 program can not be used to pay for the work.

#### **City Yard Parking Lot – Bid Schedule C for \$7,780**

The City Yard facility has a large paved area for parking and drive aisles. In the past, small portions of the paved area have been included in the I-100 Program for cost effectiveness and to address needed maintenance. Over several fiscal years, the entire City Yard facility is slurry sealed. The slurry seal can not be applied to the entire City Yard facility in one fiscal year because it would require prohibiting all vehicle traffic and prohibiting vehicle parking. This would seriously disrupt City operations. For this fiscal year, it is desired to slurry seal a portion of the paved area in the southwest corner of the facility. The cost will be paid from the Public Works Operating budget because Gas Tax funds from the I-100 program can not be used to pay for the work.

#### **Police Department Facility Small Parking Lot – Bid Schedule D for \$6,980**

On June 22, 2010, Council awarded a contract to Commercial Paving & Coating to remove and replace the deteriorated pavement for the main parking lot of the Torrance Police Department (FEAP #563). However, there is a separate and smaller parking area adjacent to the garage for the Mobile Command Vehicle area

that is not included in FEAP #563. This smaller parking area requires minor maintenance that can be accomplished by a slurry seal application. It is cost effective to perform the slurry seal in conjunction with the I-100 Program, as the cost of \$6,980 is lower than an estimate from Commercial Paving & Coating. The cost will be paid from FEAP #563 because Gas Tax funds from the I-100 program can not be used to pay for the work.

It should be noted that the \$6,980 needed for the slurry seal has not yet been transferred into the budget for FEAP #563. It is expected that the funds will be transferred within 2 weeks after July 20, 2010. Therefore, staff will postpone the slurry seal work at this location until the funds are available.

The Public Works Director recommends that Council award a Public Works Agreement to Pavement Coatings Co. in the amount of \$466,951 and include a contingency in the amount of \$22,084.80 to complete the application of slurry seal for the five residential neighborhoods and the 3 City facilities.

It is anticipated construction will begin in August and be completed in October 2010.

Respectfully submitted,

ROBERT J. BESTE.  
Public Works Director



By Craig Bilezerian  
Engineering Manager

CONCUR:



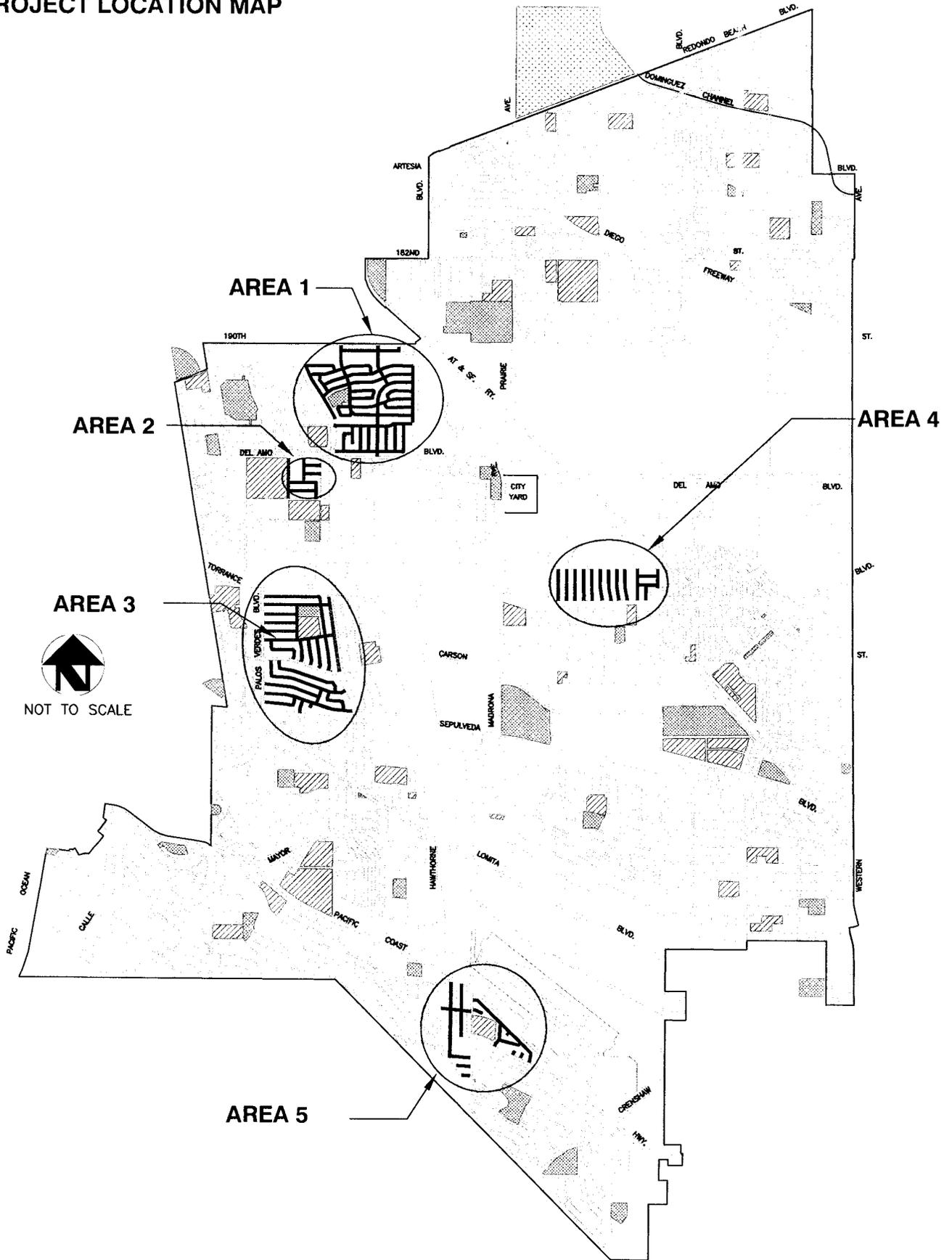
Robert J. Beste  
Public Works Director



LeRoy J. Jackson  
City Manager

- Attachments:
- A. Project Location Maps
  - B. Letter from Pavement Coatings Co.
  - C. Public Works Agreement with Pavement Coatings Co.

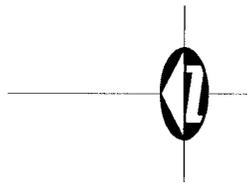
# FY 2009-10 RESIDENTIAL SLURRY SEALS PROJECT LOCATION MAP





# FY 2009-10 RESIDENTIAL STREETS SLURRY SEAL, I-100 AREA 2 LOCATION MAP

NOTE:  
TRASH IN THIS AREA IS  
COLLECTED ON TUESDAYS.  
APPLICATION OF SLURRY  
SEAL IN THIS AREA IS  
PROHIBITED ON MONDAYS &  
TUESDAYS.



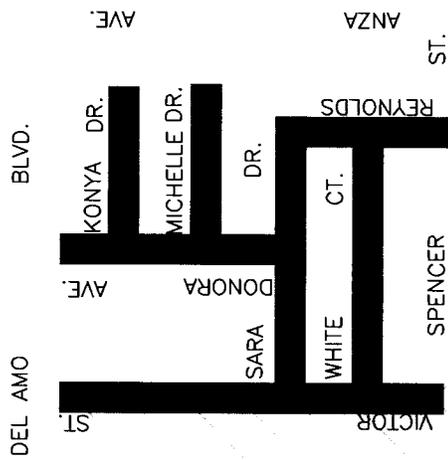
NOT TO SCALE

LEGEND:

— TYPE II SLURRY SEAL

SCHOOL

PARK

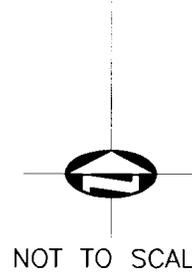


# 8 FY 2009-10 RESIDENTIAL STREETS SLURRY SEAL, I-100 AREA 3 LOCATION MAP

NOTE:

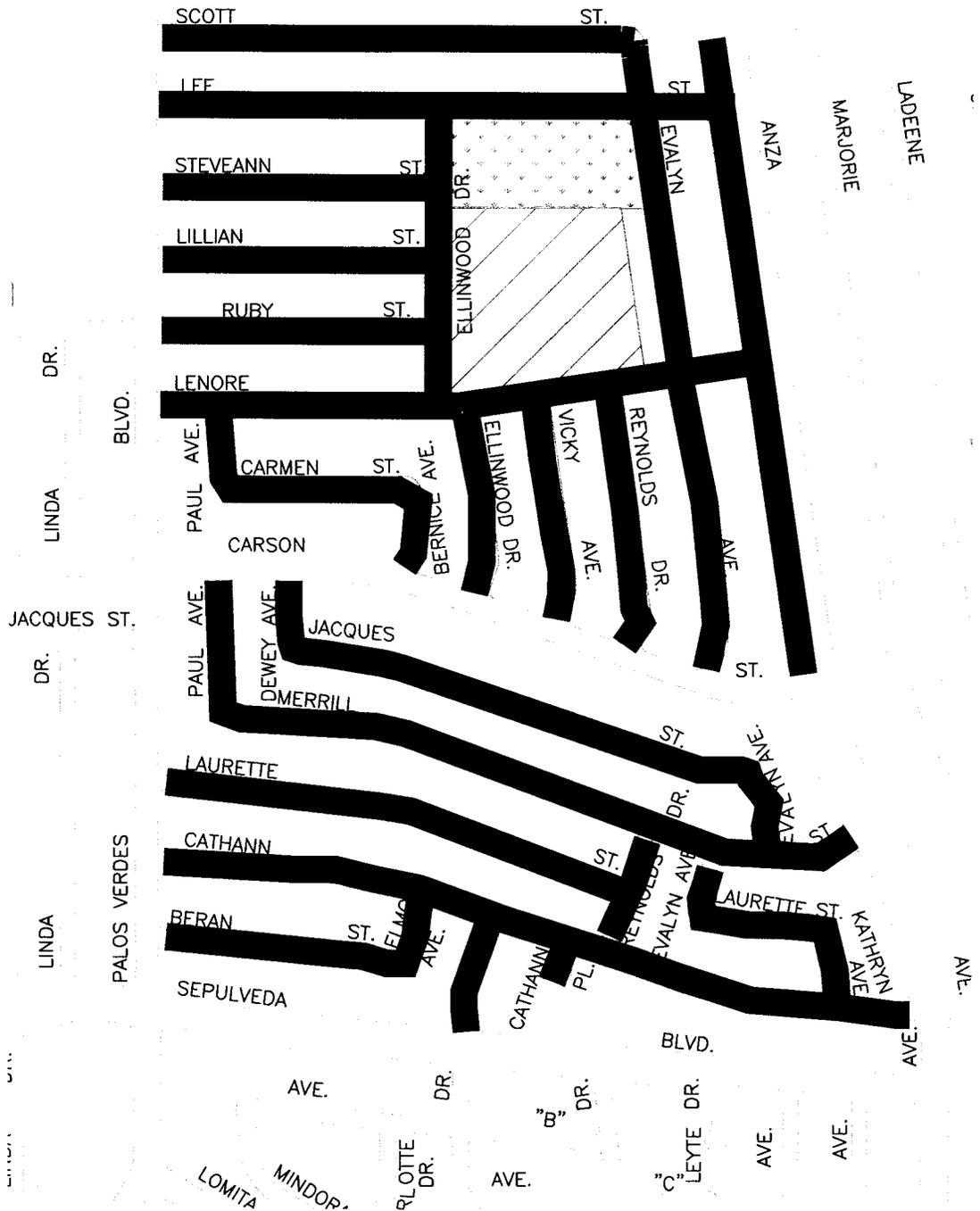
TRASH IN THIS AREA IS COLLECTED ON TUESDAYS. APPLICATION OF SLURRY SEAL IN THIS AREA IS PROHIBITED ON MONDAYS & TUESDAYS.

TORRANCE



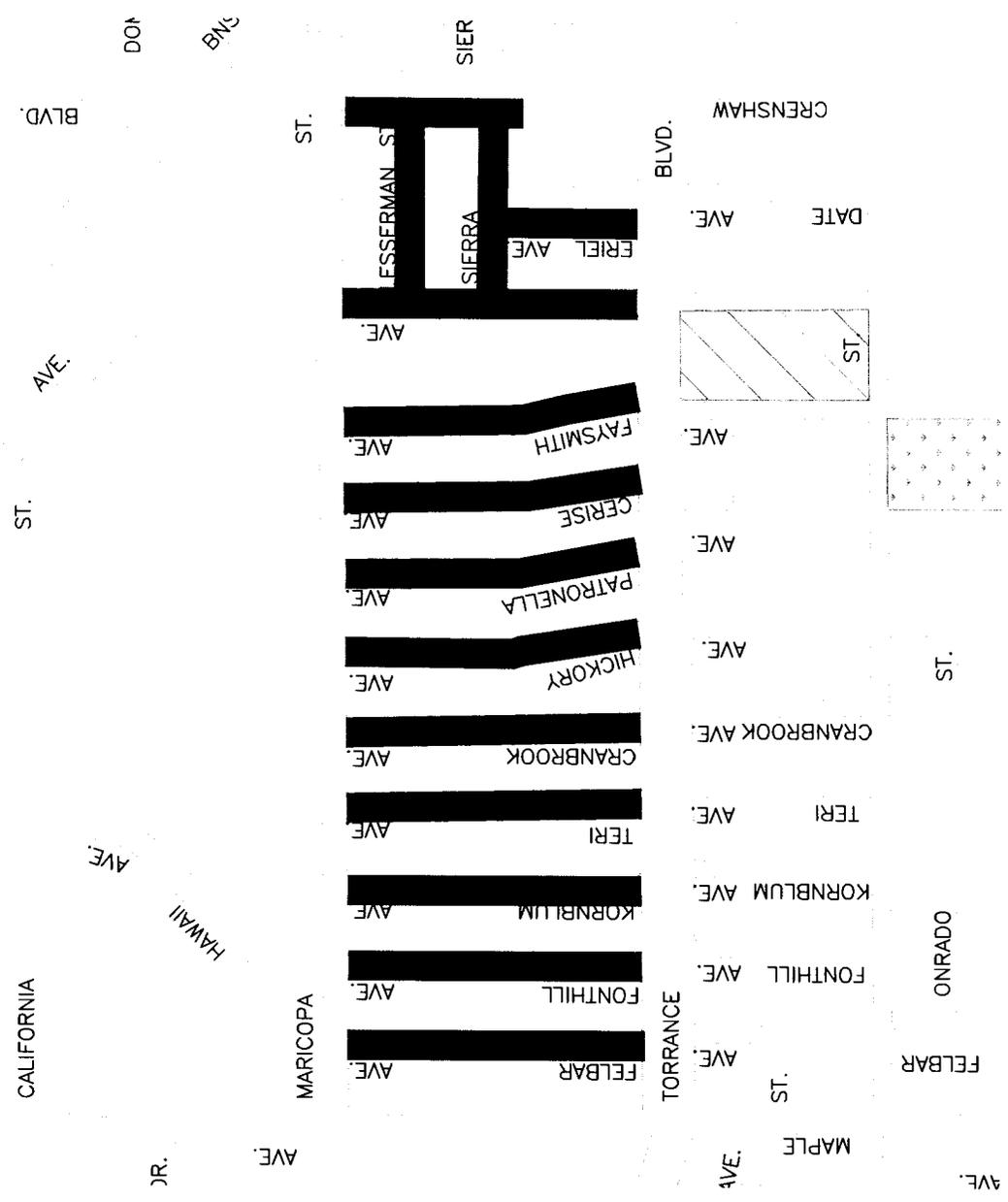
LEGEND:

-  TYPE II SLURRY SEAL
-  SCHOOL
-  PARK



# FY 2009-10 RESIDENTIAL STREETS SLURRY SEAL, I-100 AREA 4 LOCATION MAP

**NOTE:**  
TRASH IN THIS AREA IS  
COLLECTED ON WEDNESDAYS.  
APPLICATION OF SLURRY  
SEAL IN THIS AREA IS  
PROHIBITED ON WEDNESDAYS  
& THURSDAYS.



# FY 2009-10 RESIDENTIAL STREETS SLURRY SEAL, I-100 AREA 5 LOCATION MAP

NOTE:

TRASH IN THIS AREA IS COLLECTED ON WEDNESDAYS. APPLICATION OF SLURRY SEAL IN THIS AREA IS PROHIBITED ON TUESDAYS & WEDNESDAYS.



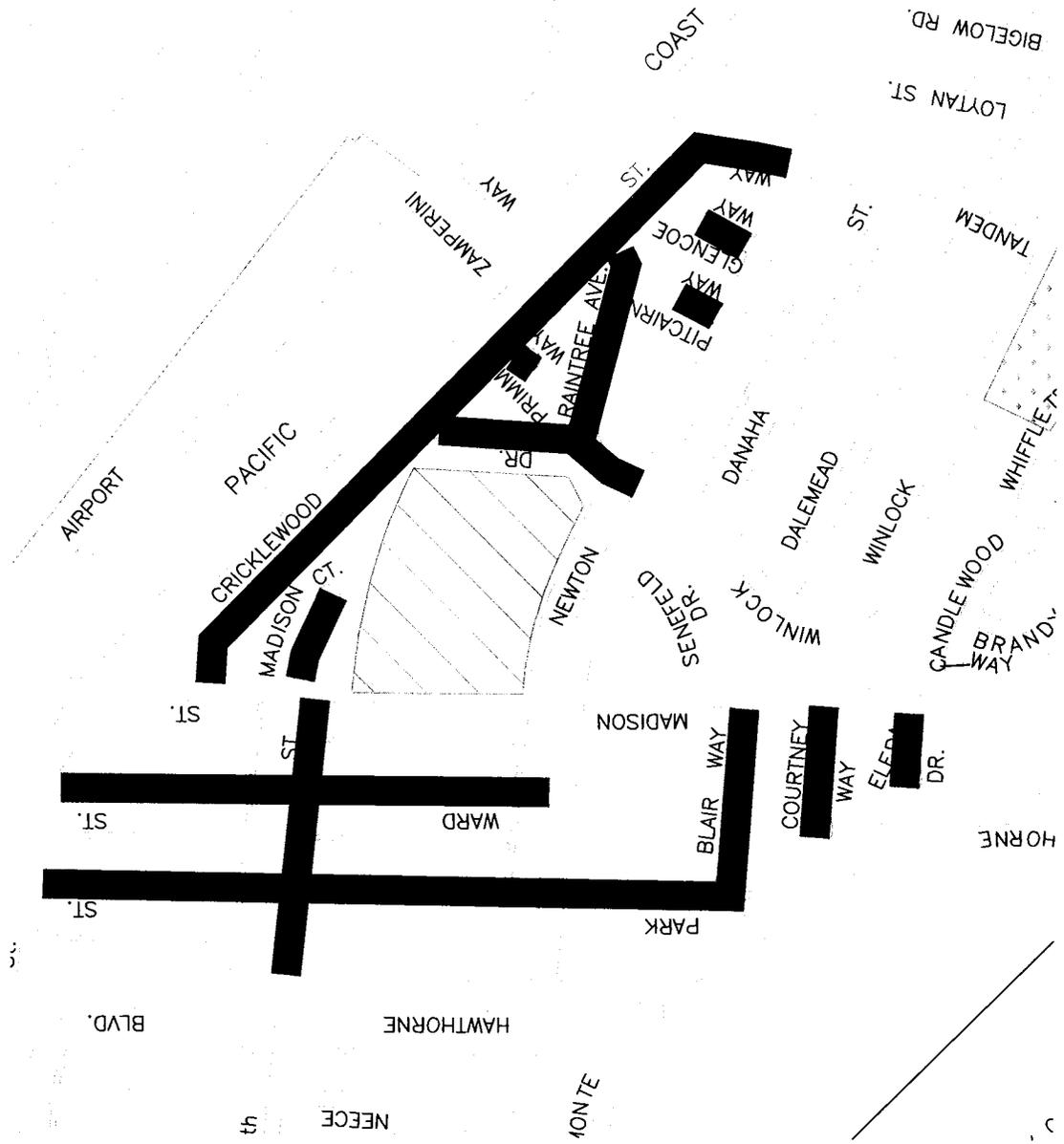
NOT TO SCALE

LEGEND:

— TYPE II SLURRY SEAL

 SCHOOL

 PARK



# PAVEMENT COATINGS Co.

10240 San Sevaine Way, Mira Loma, CA. 91752, 714 826-3011, (fax) 714 826-3129  
Contractor's License Number 303609

June 29, 2010

Craig Bilezerian  
City of Torrance Public Works Department  
20500 Madrona Ave  
Torrance, CA. 90503

RE: FY2009-10 Residential Slurry Seal – B2010-11

Dear Mr. Bilezerian,

Pavement Coatings Co. acknowledges the irregularity of our bid total of Schedule A from \$474,696.00 to \$441,969.00. Pavement Coatings Co. request that the City of Torrance accept the bid total of Schedule A for \$441,696.00. We will honor the price and would like work again with the City of Torrance.

If you have any questions please feel free to contact me.

Sincerely,  
Pavement Coatings Co.



Doug Ford  
President

**Slurry Seal Resurfacing . . . It Makes a Difference**

Member of:

AGC, Associated General Contractors ISSA, International Slurry Surfacing Association  
Street Superintendents and Maintenance Association of California

**EXHIBIT A**

**Bid**

**BIDDER'S PROPOSAL**

Company: Pavement Coatings Co.

Total Bid: \$ \$474,696.00

**FY2009-10 RESIDENTIAL SLURRY SEAL  
B2010-11**

Honorable Mayor and Members  
of the Torrance City Council  
Torrance, California

Members of the Council:

In accordance with the Notice Inviting Bids pertaining to the receiving of sealed proposals by the City Clerk of the City of Torrance for the above titled improvement, the undersigned hereby proposes to furnish all Work to be performed in accordance with the Specifications, Standard Drawings, and the Contract Documents, for the unit price or lump sum set forth in the following schedule:

**SCHEDULE A – AREAS 1 THROUGH 5**

| Item No. | Description  | Quantity  | Units | Unit Price (\$) | Total Bid (\$) |
|----------|--|-----------|-------|-----------------|----------------|
| 1        | MOBILIZATION AND DEMOBILIZATION INCLUDING CONSTRUCTION SCHEDULES   | 1         | LS    | \$6,500.00      | \$6,500.00     |
| 2        | TYPE II SLURRY SEAL  | 3,248,000 | SF    | \$0.127         | \$42,496.00    |
| 3        | REMOVE EXISTING THERMOPLASTIC PAVEMENT MARKINGS. RE-INSTALL ALL PAVEMENT MARKINGS, REFLECTIVE PAVEMENT MARKERS AND LEGENDS | 1         | LS    | \$3,750.00      | \$3,750.00     |
| 4        | TRAFFIC CONTROL  | 1         | LS    | \$18,950.00     | \$18,950.00    |

SCHEDULE A Total Bid: \$474,696.00 <sup>\$441,596</sup>  
(Figures\*)

SCHEDULE A Total Bid:

Four Hundred Seventy Four Thousand Six Hundred Ninety Six and zero  
(Words\*) Cents

**\*BID MAY BE REJECTED IF TOTAL IS NOT SHOWN FOR BOTH FIGURES AND WORDS.**

If City funds are available, the City wishes to apply slurry seal to the access roads and parking lot of the Walteria Reservoir. The Walteria Reservoir is located on the east side of Crenshaw Blvd between Crest Rd and Rolling Hills Rd. As such, the items below may be included in the contract awarded for this project. If Schedule "B" is to be added to the contract, the lowest, responsible bidder would then be based on the combined total amounts shown for Bid Schedule "A" and Bid Schedule "B".

## B2010-11

## SCHEDULE B – WALTERIA RESERVOIR

| Item No. | Description   | Quantity | Units | Unit Price (\$) | Total Bid (\$) |
|----------|---|----------|-------|-----------------|----------------|
| 1        | Mobilization and Demobilization   | 1        | LS    | \$500.00        | \$500.00       |
| 2        | TYPE II SLURRY SEAL AT WALTERIA RESERVOIR   | 58,000   | SF    | \$0.14          | \$8,120.00     |
| 3        | RE-INSTALL ALL PAVEMENT MARKINGS, PARKING STALL STRIPING, REFLECTIVE PAVEMENT MARKERS AND LEGENDS | 1        | LS    | \$1,375.00      | \$1,375.00     |
| 4        | TRAFFIC CONTROL   | 1        | LS    | \$500.00        | \$500.00       |

SCHEDULE B Total Bid: \$10,495.00  
(Figures\*)

SCHEDULE B Total Bid:

Ten Thousand Four Hundred Ninety Five, and zero cents  
(Words\*)

**\*BID MAY BE REJECTED IF TOTAL IS NOT SHOWN FOR BOTH FIGURES AND WORDS.**

1. Refer to Specifications Section C – BID DOCUMENTS AND TO PAGE C-3:

Add the following:

If City funds are available, the City wishes to apply slurry seal to a portion of the parking lot at the City Yard Facility located at 20500 Madrona Ave, Torrance, CA. As such, the items below may be included in the contract awarded for this project as Bid Schedule "C". If Schedule "C" is to be added to the contract, the lowest, responsible bidder would then be based on the combined total amounts shown for Bid Schedule "A" and Bid Schedule "C" and any other Bid Schedule(s) added to this contract.

The slurry seal application is restricted to a Friday between the hours of 8:30 a.m. and 3:00 p.m. and it is anticipated that the entire quantity of slurry seal can be applied in one day. Sufficient traffic control must be provided to protect the work area from vehicle and pedestrian traffic during the work and while the slurry seal is drying.

**SCHEDULE C – CITY YARD PARKING LOT**

| Item No. | Description   | Quantity | Units | Unit Price (\$) | Total Bid (\$) |
|----------|---|----------|-------|-----------------|----------------|
| 1        | MOBILIZATION, TRAFFIC CONTROL & DEMOBILIZATION  | 1        | LS    | \$500.00        | \$500.00       |
| 2        | TYPE II SLURRY SEAL WITH 2.5% LATEX ADDITIVE AT CITY YARD FACILITY  | 52,000   | SF    | \$0.14          | \$7,280.00     |
| 3        | REMOVE EXISTING THERMOPLASTIC PAVEMENT MARKINGS. RE-INSTALL ALL PAVEMENT MARKINGS, PARKING STALL STRIPING, REFLECTIVE PAVEMENT MARKERS AND LEGENDS. | 1        | ALLOW | \$15,000.00     | \$15,000.00    |

SCHEDULE C Total Bid: \$22,780.00  
(Figures\*)

SCHEDULE C Total Bid: Twenty Two Thousand Seven Hundred Eighty and zero cents  
(Words\*)

**\*BID MAY BE REJECTED IF TOTAL IS NOT SHOWN FOR BOTH FIGURES AND WORDS.**

Add the following:

If City funds are available, the City wishes to apply slurry seal to a portion of the parking lot at the Torrance Police Department Facility located at 3300 Civic Center Dr, Torrance, CA. As such, the items below may be included in the contract awarded for this project as Bid Schedule "D". If Schedule "D" is to be added to the contract, the lowest, responsible bidder would then be based on the combined total amounts shown for Bid Schedule "A" and Bid Schedule "D" and any other Bid Schedule(s) added to this contract.

The slurry seal application is anticipated to be applied in one day. Sufficient traffic control must be provided to protect the work area from vehicle and pedestrian traffic during the work and while the slurry seal is drying.

**SCHEDULE D – TORRANCE POLICE DEPARTMENT PARKING LOT**

| Item No. | Description  | Quantity | Units | Unit Price (\$) | Total Bid (\$) |
|----------|--|----------|-------|-----------------|----------------|
| 1        | MOBILIZATION, TRAFFIC CONTROL & DEMOBILIZATION   | 1        | LS    | \$300.00        | \$300.00       |
| 2        | TYPE II SLURRY SEAL WITH 2.5% LATEX ADDITIVE AT TORRANCE POLICE DEPARTMENT                         | 12,000   | SF    | \$0.14          | \$1,680.00     |
| 3        | RE-INSTALL ALL PAVEMENT MARKINGS, PARKING STALL STRIPING, REFLECTIVE PAVEMENT MARKERS AND LEGENDS. | 1        | ALLOW | \$5,000.00      | \$5,000.00     |

SCHEDULE D Total Bid: \$6,980.00  
(Figures\*)

SCHEDULE D Total Bid: Six Thousand Nine Hundred Eighty and Zero Cents  
(Words\*)

**\*BID MAY BE REJECTED IF TOTAL IS NOT SHOWN FOR BOTH FIGURES AND WORDS.**

By Order of the Acting City Engineer

/S/ Elizabeth Overstreet

ELIZABETH OVERSTREET

B2010-11

The undersigned furthermore agrees to enter into and execute a contract, with necessary bonds, at the unit prices set forth herein and in case of default in executing such contract, with necessary bonds, the check or bond accompanying this bid and the money payable thereon shall be forfeited thereby to and remain the property of the City of Torrance.

The above unit prices include all work appurtenant to the various items as outlined in the Specifications and all work or expense required for the satisfactory completion of said items. In case of discrepancies between unit prices and totals, the unit prices shall govern.

The undersigned declares that it has carefully examined the Specifications, and Contract Documents, and has investigated the site of the work and is familiar with the conditions thereon.

Pavement Coatings Co.

Contractor

Date: 06-24-10

By: *Van P. Duncan* VAN P. DUNCAN  
Asst. Secretary

Contractor's State License No.: 303609

Class: A ; C-32

Address: 10240 San Sevaine Way  
Mira Loma, CA 91752

Phone: 714/826-3011

FAX: 714/826-3129

B2010-11

**ACKNOWLEDGMENT OF ADDENDA RECEIVED**

The Bidder shall acknowledge the receipt of addenda by placing an "X" by each addendum received.

Addendum No. 1 <sup>VP</sup> ~~NA~~ X YES

Addendum No. 2 \_\_\_\_\_

Addendum No. 3 \_\_\_\_\_

Addendum No. 4 \_\_\_\_\_

If an addendum or addenda have been issued by the City and not noted above as being received by the Bidder, the Bid Proposal may be rejected.

CITY OF TORRANCE, CALIFORNIA

ADDENDUM NO. 1  
Issued: June 17, 2010

TO

PLANS, PROPOSAL, SPECIFICATIONS, BOND AND AFFIDAVIT FOR THE  
FY2009-10 RESIDENTIAL SLURRY SEAL, I-100  
B2010-11

Note the following changes and/or additions to the Specifications for the project indicated above. The bidder shall execute the Certification at the end of this Addendum, shall complete all required information on the pages of this Addendum and shall **attach all pages of this addendum to the Contract Documents submitted with the Bid**. In addition, the bidder shall complete and submit the "Acknowledgment of Addenda Received" Form provided in Section C of the Specifications.

BIDDER'S CERTIFICATION

I acknowledge receipt of the foregoing Addendum No. 1 and accept all conditions contained therein.

Pavement Coatings Co.

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Bidder

---

By **VAN P. DUNCAN**  
**Asst. Secretary**

06-24-10

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Date

**\*\*\*\*\* Submit this executed form with the bid \*\*\*\*\***

**Please fill out and submit the  
"Acknowledgment of Addenda Received" form  
provided in Section C of the Specifications.**



- 7. That the Contractor did not, directly or indirectly, submit the Contractor's bid price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of Individuals, except to the City of Torrance, or to any person or persons who have a partnership or other financial interest with said Contractor in its business.

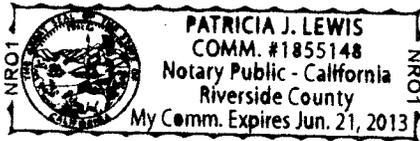
Dated this 24th day of June, 2010.

Subscribed and Sworn to  
before me this 24 day  
of June, 2010.

Patricia J. Lewis

Notary Public in and for said  
County and State.  
(Seal)

Van P. Duncan  
(Contractor)  
**VAN P. DUNCAN**  
(Title) **Asst. Secretary**



**B2010-11**  
**LIST OF SUBCONTRACTORS**

The bidder is required to fill in the following blanks in accordance with the provisions of the Subletting and Subcontracting Fair Practices Act (Chapter 2 of Division 5, Title 1 of the Government Code of the State of California) and should familiarize itself with Sections 2-3 of the Standard Specifications.

Name Under Which Subcontractor is Licensed: R+R Striping, VTD  
Markings, markers - VTD

License Number: \_\_\_\_\_

Address of Office, Mill or Shop: \_\_\_\_\_

Specific Description of Sub-Contract: \_\_\_\_\_

Name Under Which Subcontractor is Licensed: SCI Pavement Services

License Number: 923649

Address of Office, Mill or Shop: 1450 Fitzgerald Ave, Rialto, CA

Specific Description of Sub-Contract: R+R STRIPING, MARKINGS + MARKERS

Name Under Which Subcontractor is Licensed: \_\_\_\_\_

License Number: \_\_\_\_\_

Address of Office, Mill or Shop: \_\_\_\_\_

Specific Description of Sub-Contract: \_\_\_\_\_

Name Under Which Subcontractor is Licensed: \_\_\_\_\_

License Number: \_\_\_\_\_

Address of Office, Mill or Shop: \_\_\_\_\_

Specific Description of Sub-Contract: \_\_\_\_\_

Subcontractors listed in accordance with the provisions of Section 2-3 must be properly licensed under the laws of the State of California for the type of work that they are to perform. Do not list alternate subcontractors for the same work.

**REFERENCES FOR B2010-11**

(Work similar in magnitude and degree of difficulty completed by Contractor within the past three [3] years.)

1. Name (Firm/Agency): City of Newport Beach  
 Address: 3300 Newport Blvd., Newport Beach, CA 92663  
 Contact Person: Frank Martin  
 Telephone No.: 949/644-3332  
 Title of Project: 2008-09 Citywide Slurry Seal (4086)  
 Project Location: Various City Streets, Newport Beach  
 Date of Completion: 06-10-09  
 Contract Amount: \$399,657.

2. Name (Firm/Agency): City of Orange  
 Address: 300 East Chapman Avenue, Orange, CA 92866  
 Contact Person: Alan Troung  
 Telephone No.: 714/744-5544  
 Title of Project: 2007-08 Slurry Seal Various Locations (SP3638)  
 Project Location: Various City Streets, City of Orange  
 Date of Completion: 08-19-08  
 Contract Amount: \$509,932.

3. Name (Firm/Agency): City of Duarte  
 Address: 1600 Huntington Drive, Duarte, CA 91010  
 Contact Person: Steve Esbenshade  
 Telephone No.: 626/357-7931  
 Title of Project: Slurry Seal & Cape Seal Phase II  
 Project Location: Various City Streets, City of Duarte  
 Date of Completion: 05-28-08  
 Contract Amount: \$364,515.

4. Name (Firm/Agency): City of Aliso Viejo  
 Address: 12 Journey, Ste. 100., Aliso Viejo, CA 92656  
 Contact Person: Angel Fuertes  
 Telephone No.: 949/425-2533  
 Title of Project: 2007-08 Slurry Seal Project  
 Project Location: Various City Streets, City of Aliso Viejo  
 Date of Completion: 06-19-08  
 Contract Amount: \$526,778.

**REFERENCES FOR B2010-11**

If Contractor has not performed work for the City of Torrance within the last five (5) years, list all work done within said five years (attach additional sheets if necessary). Note if work was done as subcontractor [include only subcontract amount]:

| Work Description & Contract Amount | Agency | Date Completed |
|------------------------------------|--------|----------------|
| SEE ATTACHED                       |        |                |
|                                    |        |                |
|                                    |        |                |
|                                    |        |                |
|                                    |        |                |
|                                    |        |                |

Contractor's License No.: 303609 Class: A ; C-32

a. Date first obtained: 03-03-1975 Expiration 09-30-10

b. Has License ever been suspended or revoked? No

If yes, describe when and why: \_\_\_\_\_

c. Any current claims against License or Bond? No

If yes, describe claims: \_\_\_\_\_

Principals in Company (List all – attach additional sheets if necessary):

| <u>NAME</u>          | <u>TITLE</u>               | <u>LICENSE NO.</u><br><u>(If Applicable)</u> |
|----------------------|----------------------------|--|
| <u>Doug Ford</u>     | <u>President</u>           | <u>303609</u>                                |
| <u>Richard Gove</u>  | <u>Secretary</u>           |  |
| <u>Van P. Duncan</u> | <u>Assistant Secretary</u> |  |

# PAVEMENT COATINGS CO.

10240 San Sevaine Way, Mira Lima, CA 91752

714-826-3011, (Fax) 714-826-3129

Contractor's License Number 303609

## REFERENCES:

|   |  |      |
|---|--|------|
| <b>City of Aliso Viejo</b><br>100 Journey Ste.100<br>Aliso Viejo, CA 92656                  | <b>Angel Fuertes</b><br>949/425-2533<br>\$490971     | 2008 |
| <b>City of Commerce</b><br>2535 Commerce Way<br>Commerce, CA 90040                          | <b>Danilo R. Datsom</b><br>323/722-4805<br>\$109,450 | 2007 |
| <b>City of Glendale</b><br>633 East Broadway<br>Glendale, CA 91206                          | <b>Saumil Mody</b><br>818/548-3945<br>\$448,021      | 2006 |
| <b>City of Fullerton</b><br>303 W. Commonwealth Ave<br>Fullerton, CA 92832                  | <b>Karen Kobayashi</b><br>714/738-6845<br>\$255,799  | 2007 |
| <b>City of Newport Beach</b><br>3300 Newport Blvd<br>Newport Beach, CA 92663                | <b>Frank Martin</b><br>949/644-3332<br>\$471,946     | 2006 |
| <b>City of Orange</b><br>300 East Chapman Avenue<br>Orange, CA 92866                        | <b>Alan Troung</b><br>714/744-5544<br>\$151,251.00   | 2007 |
| <b>City of Pasadena</b><br>100 N. Garfield Ave, Ste S228<br>Pasadena, CA 91101              | <b>Elvin Jiang</b><br>626/744-6912<br>\$389,983      | 2008 |
| <b>City of Rancho Palos Verdes</b><br>30940 Hawthorne Blvd<br>Rancho Palos Verdes, CA 90275 | <b>Bindu Vaish</b><br>310/542-5252<br>\$114,495.20   | 2007 |
| <b>City of Seal Beach</b><br>211 8 <sup>th</sup> Street<br>Seal Beach, CA 90740             | <b>Alvin Papa</b><br>562/431-2527<br>\$142,772.40    | 2007 |
| <b>Town of Yucca Valley</b><br>57090 Twentynine Palms Hwy<br>Town of Yucca Valley           | <b>Duane Gasaway</b><br>760/369-7207<br>\$223,645.00 | 2007 |

**VIOLATIONS OF FEDERAL, STATE OR LOCAL LAWS**

1. Has your firm or its officers been assessed any penalties by an agency for noncompliance or violations of Federal, State or Local labor laws and/or business or licensing regulations within the past five (5) years relating to your construction projects?

YES/NO (circle one) *(circle one)*

Federal / State / Local *(circle one)*

If "yes," identify and describe, (including agency and status): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have the penalties been paid? YES/NO *(circle one)*

2. Does your firm or its officers have any ongoing investigations by any public agency regarding violations of the State Labor Code, California Business and Professions Code or State Licensing Laws?

YES/NO (circle one) *(circle one)*

Code/Laws: \_\_\_\_\_

Section/Article: \_\_\_\_\_

If "yes," identify and describe, (including agency and status): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DISQUALIFICATION OR DEBARMENT**

Has your firm, any officer of your firm, or any employee who has a proprietary interest in your firm ever been disqualified, removed, or otherwise prevented from bidding on, performing work on, or completing a federal, state or local project because of a violation of law or a safety regulation?

YES  NO  (circle one)

If yes, provide the following information (if more than once, use separate sheets):

Date: \_\_\_\_\_ Entity: \_\_\_\_\_

Location: \_\_\_\_\_

Reason: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Provide Status and any Supplemental Statement: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Has your firm been reinstated by this entity?

YES/NO (circle one)

## PUBLIC WORKS AGREEMENT

This PUBLIC WORKS AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_, 2010 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Pavement Coatings Co., a California corporation ("CONTRACTOR").

### RECITALS:

- A. The CITY wishes to retain the services of an experienced and qualified CONTRACTOR to construct street slurry seal projects; and;
- B. In order to obtain the desired services, The CITY has circulated a Notice Inviting Bids for the construction of the FY2009-10 RESIDENTIAL SLURRY SEAL, I-100, Notice Inviting Bids No. B2010-11 (the "NIB"); and
- C. CONTRACTOR has submitted a Bid (the "Bid") in response to the NIB. CONTRACTOR represents that it is qualified to perform those services requested in the Plans and Specifications. Based upon its review of all Bids submitted in response to the NIB, The CITY is willing to award the contract to CONTRACTOR.

### AGREEMENT:

#### 1. SERVICES TO BE PERFORMED BY CONTRACTOR

CONTRACTOR will provide the services and install those materials listed in the Plans and Specifications, which are on file in the Public Works Department. The NIB and the Plans and Specifications are made a part of this Agreement. A copy of the Bid is attached as Exhibit A.

#### 2. TERM

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect for 12 months from the Effective Date.

#### 3. COMPENSATION

##### A. CONTRACTOR's Fee.

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with CONTRACTOR's Bid; provided, however, that in no event will the total amount of money paid the CONTRACTOR, for services initially contemplated by this Agreement, exceed the sum of \$466,951.00 ("Agreement Sum"), unless otherwise first approved in writing by the CITY.

##### B. Schedule of Payment.

Provided that the CONTRACTOR is not in default under the terms of this Agreement, upon presentation of an invoice, CONTRACTOR will be paid monthly, within 30 days after the date of the monthly invoice.

#### 4. TERMINATION OF AGREEMENT

- A. Termination by CITY for Convenience.
1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.
  2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONTRACTOR will:
    - a. cease operations as directed by CITY in the notice;
    - b. take actions necessary, or that CITY may direct, for the protection preservation of the work; and
    - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
  3. In case of such termination for CITY's convenience, CONTRACTOR will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.
- B. Termination for Cause.
1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
  2. In the event this Agreement is terminated for cause by the default of the CONTRACTOR, the CITY may, at the expense of the CONTRACTOR and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONTRACTOR under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONTRACTOR and its surety from liability for the default. Under these circumstances, however, the CONTRACTOR and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.
  3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONTRACTOR or its surety then existing, or which may thereafter accrue because of the default; this provision is in

addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONTRACTOR or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONTRACTOR's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONTRACTOR has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONTRACTOR authorizes the CITY to deduct from any amount payable to CONTRACTOR (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate the CITY for any losses, costs, liabilities, or damages suffered by the CITY, and all amounts for which the CITY may be liable to third parties, by reason of CONTRACTOR's negligent acts or omissions or willful misconduct in performing or failing to perform CONTRACTOR's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONTRACTOR, or any indebtedness exists that appears to be the basis for a claim of lien, the CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of the CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONTRACTOR to insure, indemnify, and protect the CITY as elsewhere provided in this Agreement.

**7. THE CITY'S REPRESENTATIVE**

The Public Works Director is designated as the "City Representative," authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by the CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONTRACTOR.

**8. CONTRACTOR REPRESENTATIVE(S)**

The following principal(s) of CONTRACTOR are designated as being the principal(s) and representative(s) of CONTRACTOR authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Doug Ford, President  
Rick Gove, Secretary

**9. INDEPENDENT CONTRACTOR**

The CONTRACTOR is, and at all times will remain as to the CITY, a wholly independent contractor. Neither the CITY nor any of its agents will have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as otherwise set forth in this Agreement. The CONTRACTOR may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY.

**10. BUSINESS LICENSE**

The CONTRACTOR must obtain a City business license prior to the start of work under this Agreement, unless CONTRACTOR is qualified for an exemption.

**11. OTHER LICENSES AND PERMITS**

CONTRACTOR warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

**12. FAMILIARITY WITH WORK**

By executing this Agreement, CONTRACTOR warrants that CONTRACTOR (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONTRACTOR warrants that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONTRACTOR discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONTRACTOR must immediately inform the CITY of that fact and

may not proceed except at CONTRACTOR's risk until written instructions are received from the CITY.

**13. CARE OF WORK**

CONTRACTOR must adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by the CITY, except those losses or damages as may be caused by the CITY's own negligence.

**14. CONTRACTOR'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONTRACTOR's time pertaining to the project, and records of accounts between the CITY and the CONTRACTOR, will be kept on a generally recognized accounting basis. CONTRACTOR will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to the CITY during normal working hours. CONTRACTOR will maintain these records for three years after final payment.

**15. INDEMNIFICATION**

CONTRACTOR will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONTRACTOR, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONTRACTOR's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONTRACTOR and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONTRACTOR will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONTRACTOR will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

**16. NON-LIABILITY OF THE CITY'S OFFICERS AND EMPLOYEES**

No officer or employee of the CITY will be personally liable to CONTRACTOR, in the event of any default or breach by the CITY or for any amount that may become due to CONTRACTOR.

**17. INSURANCE**

- A. CONTRACTOR must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
    - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$1,000,000 per occurrence; and
    - b. Primary Property Damage of at least \$250,000 per occurrence; or
    - c. Combined single limits of \$1,000,000 per occurrence.
  2. General Liability including coverage for premises, products and completed operations, independent contractors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
  3. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$1,000,000.
- B. The insurance provided by CONTRACTOR will be primary and non-contributory.
- C. The CITY of Torrance, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insureds under the automobile and general liability policies.
- D. CONTRACTOR must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work.
- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to the CITY.
- F. CONTRACTOR must include all subcontractors as insureds under its policies or must furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors will be subject to all of the requirements of this Paragraph 17.

**18. SUFFICIENCY OF INSURERS**

Insurance required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of the CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the CITY, the CONTRACTOR agrees that the minimum limits of any insurance policies and/or the performance bond required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONTRACTOR will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of the CITY within 10 days of receipt of notice from the Risk Manager.

**19. CONFLICT OF INTEREST**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

**20. NOTICE**

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
  - 1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
  - 2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
  - 3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.



of the authorship of this Agreement or any other rule of construction that might otherwise apply.

**24. SEVERABILITY**

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

**25. TIME OF ESSENCE**

Time is of the essence in the performance of this Agreement.

**26. GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

**27. COMPLIANCE WITH STATUTES AND REGULATIONS**

CONTRACTOR will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

**28. WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

**29. ATTORNEY'S FEES**

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

**30. EXHIBITS**

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

**31. CONTRACTOR'S AUTHORITY TO EXECUTE**

The persons executing this Agreement on behalf of the CONTRACTOR warrant that (i) the CONTRACTOR is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONTRACTOR; (iii) by so executing this Agreement, the CONTRACTOR is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONTRACTOR is bound.

CITY OF TORRANCE,  
a Municipal Corporation

Pavement Coatings Co.  
a California corporation

\_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
Doug Ford, President

ATTEST:

\_\_\_\_\_  
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By: \_\_\_\_\_  
Della Thompson-Bell  
Deputy City Attorney

Attachment: Exhibit A: Bid