



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** AUGUST 2, 2022

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** ERIC J. LEVITT, CITY MANAGER

**PREPARED BY:** MEG MCWADE, PUBLIC WORKS DIRECTOR  
DAVID GRANTHAM, PRINCIPAL CIVIL ENGINEER  
GAR HUANG, ASSOCIATE ENGINEER

**SUBJECT:** CONSTRUCTION DEBRIS RECYCLING

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### **SUMMARY**

Award \$132,650 construction contract to HMM, Inc. for Construction Debris Recycling Project.

### **RECOMMENDATION**

1. Approve \$47,000 appropriation from Water Fund balance to Project 53018 Construction Debris Recycling (Fund 44).
2. Award \$132,650 construction contract for Project 53018 Construction Debris Recycling (Fund 44) to HMM, Inc. and authorize City Manager, or designee, to execute the contract, in a form approved by the City Attorney.
3. Authorize Public Works Director, or designee, to approve any future change order for construction and professional engineering construction support services within the approved project budget.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

### **FISCAL IMPACT**

Project 53018 Construction Debris Recycling currently has \$120,000 of Water Fund in the FY 2022-23 CIP Budget. Staff recommends a \$47,000 budget appropriation from

Water Fund balance to Project 53018 Construction Debris Recycling (Fund 44) to address additional needed funds for a \$167,000 total project budget.

Staff has attached a Budget Data Sheet / Summary of Bids and the Contractor's bid for reference (Attachments 1 and 2, respectively).

## DISCUSSION

Prior to 2015, the Public Works Water Transmission and Distribution Division spent approximately \$100,000 per year to dispose of asphalt, concrete and native soils generated by water main break repairs at a local landfill. Additionally, the Water Transmission and Distribution Division spent approximately \$45,000 per year on aggregate base for backfilling the trench while repairing the water main breaks. The water division started recycling the spoils and crushing the asphalt and concrete into miscellaneous base, replacing the imported aggregate base backfill material to save money in 2015. The City has drastically reduced the need for import aggregate base material with this operation as well as reduced the amount of exported material from the City's water main repairs. This benefited other public works divisions that also utilize the recycled material. Not proceeding with this project would cost the City an estimated \$250,000 for disposal of accumulated materials in 2022 dollars.

The City released the 2022 Construction Debris Recycling Project bid on May 18, 2022. The City received no bids by the June 15, 2022 deadline. This project requires specialty work and few contractors have the equipment, mobility and willingness to perform this project. Additionally, the contractor that completed the two previous debris recycling projects recently sold their equipment.

California Public Contract Code Section 20166 allows the agency to complete the project without further compliance with applicable Public Contract Code bidding requirements when it receives no bids. This allows informal bid of the project. Staff contacted potential contractors to determine interest, experience and availability to perform the work. The City found Force Crushing, Inc. of Murrieta, CA able to perform the work as a subcontractor to HMM, Inc of Brawley, CA. Following negotiations, HMM, Inc. provided a \$132,650 bid to perform the work (Attachment 2). Staff reviewed the bid, found it acceptable and recommends awarding the contract to HMM, Inc. The bid is 33% above the engineer's estimate of \$100,000 and 11% above the project budget of \$120,000, due to the very limited contractors available to complete the work and the general increase in construction and labor costs.

## Attachments:

- Attachment 1 – Budget Data / Summary of Bids
- Attachment 2 – Contractor's Bid