TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PUBLIC WORKS

DATE: AUGUST 8, 2005

CMR:347:05

SUBJECT: APPROVAL OF A CONTRACT WITH VALLEY SLURRY SEAL COMPANY IN THE AMOUNT OF $268,607 FOR THE 2005 STREET MAINTENANCE PROGRAM, PHASE 3 - CAPITAL IMPROVEMENT PROGRAM PROJECT PE-86070

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract in the amount of $268,607 with Valley Slurry Seal Company (Attachment A) for the 2005 Street Maintenance Program, Phase 3 - Capital Improvement Program Project PE-86070; and

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Valley Slurry Seal Company for related, additional but unforeseen work that may develop during the project, the total value of which shall not exceed $26,861.

BACKGROUND

Annually, Public Works Engineering manages the resurfacing and reconstruction of various City streets. The candidate streets are surveyed and rated biannually by a computerized pavement management system. The annual project typically encompasses about eight lane miles of asphalt concrete paving and eight lane miles of slurry sealing, with a project budget averaging $1.9 million for all phases of the project. In 2003 and 2004, Public Works Engineering implemented multi-phased resurfacing projects and bid one phase for concrete repairs and a second phase for asphalt concrete resurfacing. This method proved to be more cost effective by avoiding the typical 15% markup on concrete work previously included in asphalt resurfacing contracts.

In 2005, Public Works Engineering has taken this method one step further by creating a three phase resurfacing project. Phase 1, University Circle, is already complete and focused on concrete slab replacement on this half mile of city street. Phase 2 is currently under construction and is focused on asphalt concrete resurfacing, overlays, base failure work for both resurfacing and cape/slurry seal streets and minor concrete repairs on six lane miles of city streets. Phase 3 will be focused on preventative maintenance utilizing slurry and cape sealing on 15 lane miles of city streets. The Phase 1 budget was $140,000 to replace the failed concrete slabs on University Circle; Phase 2 was $1,621,753; and Phase 3 is estimated at $328,206.
DISCUSSION

Project Description
The project scope of the proposed 2005 Street Maintenance Program, Phase 3 includes slurry sealing nine lane miles and cape sealing six lane miles of city streets. Attachment B provides a list of streets to be slurry or cape sealed. The street maintenance program is placing a greater emphasis on rehabilitating streets to a level that will prolong the lifespan of the asphalt surfaces for five to seven years through slurry sealing and by 10 to 15 years through cape sealing. One disadvantage of a cape seal is that it requires two separate street closures since it includes a two-part process of chip seal and slurry seal as a final coat. The chip seal contains small aggregate that bonds with an oil applied to the pavement surface and slurry seal applied 24 hours after the chip seal work. In order to control the loose aggregate after the chip seal work, the street is swept and the speed limit will be reduced to 15 mph for 24 hours until the street is slurry sealed. After the slurry seal is applied, the street will be opened to traffic at regular speeds the same day.

The cape seal process was successfully used for the first time last year. Staff will continue to monitor and develop alternative maintenance methods such as cape sealing in the future. Through this type of preventative maintenance and cost savings generated from creating three phases, the lane miles maintained for the year will increase by a total of approximately 5 lane miles above the average 16 lane miles maintained annually.

Following the award of contract, businesses and residents affected by the project will be notified. The contractor will also hand deliver door hanger notices seven days and 24 hours in advance of the construction work. Work is expected to start in August and be complete in 45 days.

Bid Process
A notice inviting formal bids for the 2005 Street Maintenance Program, Phase 3 was posted at City Hall July 7, 2005 and sent to seven builders' exchanges and eight bidders. The bidding period was 19 days. Bids were received from three qualified contractors on July 26, 2005 as listed on the attached bid summary (Attachment C). Bids ranged from a high of $473,576 to a low bid of $268,607.

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<tr>
<th>Summary of Bid Process</th>
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<tr>
<td>Bid Name/Number</td>
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<tr>
<td>Proposed Length of Project</td>
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<tr>
<td>Number of Bids Mailed to Contractors</td>
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<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
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<td>Total Days to Respond to Bid</td>
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<td>Pre-Bid Meeting?</td>
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<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
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<tr>
<td>Number of Bids Received:</td>
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<td>Bid Price Range</td>
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*Bid summary provided in Attachment C. The Certification of Nondiscrimination is Attachment D. Staff has reviewed all bids submitted and recommends that the bid of $268,607 submitted by Valley Slurry Seal Company be accepted and that Valley Slurry Seal Company be declared the
lowest responsible bidder. The bid is less than 18 percent below the engineer’s estimate of $328,206. The change order amount of $26,861 (which equals 10 percent of the total contract) is requested to resolve unforeseen problems and/or conflicts that may arise during the construction period.

Staff checked references supplied by the contractor for previous work performed and found no significant complaints. Staff also checked with the Contractor's State License Board and found that the contractor has an active license on file.

RESOURCE IMPACT
Funds for this project are included in the Street Maintenance Capital Improvement Program Project PE-86070. Due to the size of this annual maintenance project, City staffing levels are not adequate to accomplish the construction work in-house. In addition, the City does not own the type and amount of equipment required to perform this work and staff believes that it is cost effective to have this work performed by outside contractors.

POLICY IMPLICATIONS
This recommendation does not represent any change to existing City policies.

ENVIRONMENTAL REVIEW
This project has been determined to have no significant effect on the environment and to be categorically exempt from review under the California Environmental Quality Act (CEQA) as repair and maintenance of existing streets and similar facilities pursuant to CEQA Guidelines, Section 15301 (c).

ATTACHMENTS
Attachment A: Contract
Attachment B: List of Streets
Attachment C: Bid Summary
Attachment D: Certificate of Non Discrimination

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