TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: MAY 5, 2008

DEPARTMENT: PUBLIC WORKS

CMR:226:08

SUBJECT: APPROVAL OF A CONTRACT WITH VALLEY SLURRY SEAL COMPANY IN THE AMOUNT OF $739,897 FOR THE 2008 STREET MAINTENANCE PROGRAM PHASE 1, 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 $739,897 with Valley Slurry Seal Company (Attachment A) for the 2008 Street Maintenance Program, Phase 1 - Capital Improvement Program (CIP) 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 $73,990.

BACKGROUND

Public Works Engineering manages the annual resurfacing and reconstruction of various City streets. The candidate streets are surveyed and rated biannually by a computerized pavement management system (PMMS), approved and certified by the Metropolitan Transportation Commission (MTC). This computerized software assists Public Works Engineering staff to evaluate and prioritize the maintenance of the City of Palo Alto’s pavement infrastructure and develop cost-effective treatment strategies and schedules. The PMMS is a successful planning tool that ensures the City maximizes the current budget by utilizing cost effective methods of preventive maintenance, while reconstructing older and deteriorated streets with new asphalt overlays.

Staff implemented recommendations contained in the Audit of Street Maintenance (dated March 2006) by increasing the volume of preventive maintenance. Staff has implemented a multi-phased approach to avoid the typical 15% mark-up on concrete and preventative maintenance work previously included in asphalt resurfacing contracts. The Street Maintenance Program Project is funding $300,000 towards the Public Works Operations Sidewalk
Replacement Project, Capital Improvement Program PO-89003 proposed to be awarded on May 5, 2008 to repair concrete streets, curb & gutter, and curb ramps in Crescent Park. This concrete phase will prepare the roadway for the asphalt resurfacing phase this summer. This coordination work previously included in the asphalt resurfacing contract results in cost savings to carry the resurfacing dollars even further. In addition, staff has aggressively sought outside grant funding to supplement the current budget. Staff is also continuing to coordinate with other divisions/departments and private developments to reduce street degradation and maintain structural integrity of City streets.

**DISCUSSION**

**Scope of Work**

The Phase I Street Maintenance project will slurry seal 10.6 lane miles and cape seal 6.3 lane miles of City streets as a preventive maintenance treatment for the fifth consecutive year (see Attachment B for a List of Streets). A cape seal includes a two-part process of a chip seal and a slurry seal as a final coat. The road is open to traffic at reduced speeds within half an hour after the chip seal application. A slurry seal is applied within 24 to 48 hours after the chip seal application. This preventive maintenance project includes related work such as tree trimming, pavement repairs, lane striping, crosswalk striping, and crack sealing.

Staff has included two additional alternative bid items in the Phase I contract to address other streets in need of preventative maintenance. Due to the favorable bids received, the following roads will be also slurry sealed:

- Four blocks of Loma Verde Avenue from Maduxx Drive to Middlefield Road
- Four blocks of Ames Avenue from Ross Road to Middlefield Road

The annual street maintenance projects typically encompass approximately eight lane miles of asphalt concrete paving and eight lane miles of slurry sealing, with a program budget of approximately $2.1 million for all project phases. This year, the Phase I project will use funding from State Proposition 1b passed by California Voters on November 7, 2006. This proposition allocates funding on a per capita basis with Palo Alto’s share being $1,007,120. This additional funding will allow staff to increase the annual funding to $3.1 million to address the backlog for the planned Crescent Park Target Work Zone and the College Terrace Target Work Zone area streets for summer 2008 and needed maintenance work on other priority streets.

Normally, the preventive maintenance project is awarded in July after the annual budget is adopted by Council. This year due to the additional State Proposition 1b funding, this enables staff to go out to bid early resulting in potential cost savings as historically, there are more available contractors early in the year resulting in more competitive bidding.

**Bid Process**

A notice inviting formal bids for the 2008 Street Maintenance Program Phase 1 project was posted at City Hall and sent to 10 builders' exchanges and 20 potential bidders on February 25, 2008. The bidding period was 29 days. Bids were received from five (5) qualified contractors on March 25, 2008 as listed on the attached bid summary (Attachment C). Bids ranged from a total low bid of $739,897 to a high of $1,225,022. The low bid is 5.2 percent below the
engineer’s estimate of $780,438. The contractor’s Certification of Nondiscrimination is included as Attachment D.

### Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>2008 Street Maintenance Program Phase 1 / IFB #125968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>100 calendar days</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>20</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>10</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>29</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>No</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>5</td>
</tr>
<tr>
<td>Bid Price Range (including all 2 alternates)</td>
<td>Low bid $739,897 to a high of $1,225,022</td>
</tr>
</tbody>
</table>

Staff recommends that base bid A and add alternates B & C in the total amount of $739,897 submitted by Valley Slurry Seal Company be accepted and that Valley Slurry Seal Company be declared the lowest responsible bidder. The change order amount of $73,990 (which equals 10% 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.

**Project Coordination**

Staff continues to meet monthly with the Utility and Transportation Departments to coordinate projects citywide. Streets planned for resurfacing were either postponed due to utility projects or accelerated as a result of obtaining federal/state funding. Staff has made it a priority to ensure newly paved streets are not trenched unless there is private development project and/or emergency work which could not be scheduled in advance of street paving.

**RESOURCE IMPACT**

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 of equipment required to perform this work and staff believes that it is cost effective to have the work performed by outside contractors.

Funds for this project are available in Capital Improvement Program Project PE-86070. The City received $1,007,120 from State Proposition 1b which was included in the FY 2007-08 midyear budget amendment and adopted by Council in February 5, 2008 (CMR 132:08). Sufficient Budget for the final phase resurfacing contract will be available in July 1, 2008 subject to Council approval of the 2008-09 Capital Improvement Budget.
POLICY IMPLICATIONS
This recommendation does not represent any change to existing City policies.

ENVIRONMENTAL REVIEW
This project has been determined 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: Certification of Nondiscrimination

PREPARED BY: 
________________________
HUNG NGUYEN
Engineer

DEPARTMENT HEAD: 
________________________
GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: 
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STEVE EMSLIE/KELLY MORARIU
Deputy City Managers