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Attachments: 1. Signed Bid Summary-Asphalt Rubber Street Sealing 2011-12.pdf

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9/4/2012	1	City Council	Received and Filed	Pass

Staff Report for Resolution to Reject Bids for Asphalt Rubber Street Sealing 2011-12, Project No. 11-144-38-332

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve a resolution rejecting all bids on the subject project.

BACKGROUND

Staff conducted an annual pavement condition survey using the City’s Pavement Management System to establish the condition of the City’s streets. Based on the last survey, various City streets were recommended for one of three maintenance treatments: reconstruction; overlay; or sealing. This project will conduct sealing treatments. Sealing is the recommended treatment for streets in fairly good condition to rejuvenate and prolong the life of the pavement. The sealing treatment to be used in this project is asphalt rubber cape seal. A project for streets requiring only slurry and scrub seal work was bid separately as the Annual Street Sealing 2011-12 Project.

Analysis

The bid opening for the subject project was held on June 29, 2012. A total of two bids were received, and the lowest bidder was 51% above the engineer’s estimate for the base bid. This was unexpected, since the base bid quantities of asphalt rubber chip sealing, slurry sealing, and microsurfacing to be applied were comparable to those from the Annual Street Sealing 2010-11 project. Also, the higher bid prices contradict what was predicted by the Caltrans Crude Oil Price Index, which had dropped 11% since May 2011 when bids were opened for the last project.

City staff contacted contractors and subcontractors who submitted bids for the subject project. Based on these discussions, staff concluded that the higher prices were likely due to the bid opening

for the subject project being held later in the year than the one for the previous street sealing project. Contractors tend to give lower bids for projects at the beginning of the construction season since their schedules are not yet full. Therefore, staff proposes to re-bid this project in early 2013.

Previous Actions

On June 4, 2012, by Resolution No. 2012-059, the City Council approved the plans and specifications and called for bids for the subject project.

Applicable General Plan Policies

This action is consistent with Streets and Highways Goal No. 16 of the General Plan and Action Item 16.03: Regularly maintain City streets and traffic control devices to ensure that streets operate safely and efficiently.

Environmental Review

This project is categorically exempt from CEQA per Section 15301(c) - Existing Facilities.

Fiscal Impacts

The total cost of this project is estimated to be \$1,297,720.51, including the base bids for both contracts with design, construction, and construction administration costs.

The construction contract was estimated to be \$663,871.39 for the base bid.

Budget Authority

This project incorporates the construction contracts for both Annual Street Sealing 2011-12 and Asphalt Rubber Street Sealing 2011-12 and will be funded by the following CIP accounts:

- 1) \$692,540.98 - Measure B Streets & Roads Funds, Account No. 144-38-332
- 2) \$600,000.00 - Gas Tax Funds, Account No. 142-38-332
- 3) \$32,971.29 - Proposition 1B Funds, Account No. 149-38-327

ATTACHMENTS

Bid summary

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