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Staff Report for a Resolution to Reject Bids for Annual 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

City staff conducts an annual pavement condition survey using the City's Pavement Management System to establish the condition of City streets. Based on this survey, various City streets were recommended for one of three maintenance treatments: reconstruction; overlay; or sealing. This project is to conduct sealing treatment. Sealing is the recommended treatment for streets in fairly good condition to rejuvenate and prolong the life of the pavement. Sealing treatments in this project will include slurry seal and scrub seal; the asphalt rubber cape seal was bid separately as part of the Asphalt Rubber Street Sealing 2011-12 project.

Analysis

The bid opening for the subject project was held on June 28, 2012. A total of four bids were received, and the lowest bidder was 43% above the engineer's estimate for the base bid. This was unexpected since the base bid amount of street sealing work to be done with the subject project is about 60% more than the scope of work for the previous street sealing project, and prices tend to go down as quantities increase. The higher bid prices also contradict what was predicted by the Caltrans Crude Oil Price Index, which had dropped 11% since May 2011 when bids were opened for our last project.

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

bid opening for the subject project was 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. 2012-058, the City Council approved the plans and specifications and called for bids for the subject project.

Committee Review and Actions

The locations of the T-intersection access ramps to be installed were reviewed by the Facilities and Transportation Committee at its meeting on February 14, 2012.

Applicable General Plan Policies

The scope of this project 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 \$438,998.30 for the base bid.

Budget Authority

The funding described below incorporates the construction contracts for both the Annual Street Sealing 2011-12 and Asphalt Rubber Street Sealing 2011-12 projects, which will be funded by the following CIP accounts:

- 1) \$692,540.98 - Measure B Streets and 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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