



Legislation Details (With Text)

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**Title:** Staff Report for a Resolution to Award a Construction Contract to American Asphalt Repair and Resurfacing Co., Inc. for the Annual Street Sealing 2015-16 Project, Project No. 2016.0070; authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and authorization for the City Manager to negotiate and approve cumulative change orders up to 15% of the original contract amount; City Council approval to appropriate \$750,000.00 from Measure B fund balance; and to appropriate \$50,000.00 from General Fund-Economic Uncertainty Fund reserves to be reimbursed from the California Department of Resources Recycling and Recovery (CalRecycle)

**Indexes:**

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**Attachments:** 1. Annual Street Sealing 2015-16 Steet List, 2. Annual Street Sealinig 2015-16, Bid Summary

Date	Ver.	Action By	Action	Result
6/20/2016	1	City Council	Received and Filed	

Staff Report for a Resolution to Award a Construction Contract to American Asphalt Repair and Resurfacing Co., Inc. for the Annual Street Sealing 2015-16 Project, Project No. 2016.0070; authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and authorization for the City Manager to negotiate and approve cumulative change orders up to 15% of the original contract amount; City Council approval to appropriate \$750,000.00 from Measure B fund balance; and to appropriate \$50,000.00 from General Fund-Economic Uncertainty Fund reserves to be reimbursed from the California Department of Resources Recycling and Recovery (CalRecycle)

**SUMMARY AND RECOMMENDATIONS**

This contract provides for the application of preventive maintenance treatments on various City streets in the 2016 Asphalt Maintenance Area.

Staff recommends the following actions:

- Awarding the construction contract of the Base Bid and Additive Bid A to American Asphalt Repair and Resurfacing Co., Inc. in the amount of \$974,495.71 for the subject project
- Authorizing individual change orders up to 5% of the original contract (\$48,724.79), and authorizing a total change order amount up to 15% of the original contract (\$146,174.79)
- Appropriating Measure B Funds in the amount of \$750,000.00, and
- Appropriating General Fund-Economic Uncertainty Fund reserves in the amount of \$50,000.00 to be reimbursed from the California Department of Resources Recycling and Recovery (CalRecycle) grant.

## **BACKGROUND**

Street sealing is an annual maintenance activity that can prolong the useful life of streets. The treatments associated with this project include slurry sealing, asphalt rubber chip sealing, and micro-surfacing. These treatments involve the application of one or more layers of aggregate materials, crumb rubber chips produced from recycled used tires, and asphalt emulsions. The particular process is individually selected for each street based on its street condition.

The City is divided into four asphalt maintenance areas, each year maintenance work is concentrated within one area to improve efficiency and reduce costs. The worst streets that are suitable for each treatment within the 2016 Maintenance Area were chosen for this project, with priority given to arterial and collector streets that carry more vehicles. A summary of street segments to receive treatments is attached.

As part of this project and in compliance with the Americans with Disabilities Act (ADA), the City Council awarded the Ramp Upgrades 2015-16 Project, Project No. 2016.0071 to Rosas Brothers Construction to install curb ramps where none currently exist and to upgrade non-compliant ramps.

This project is funded in large part by Measure B sales tax money distributed to the City by Alameda County Transportation Commission (ACTC) each year for use on local streets and roads. The City has consistently used Measure B money within 3 years of receipt which is within the 5 years allowed for the timely use of funds requirements. In January, 2016 ACTC changed their timely use of funds policy to require use of funds within the same year they are distributed to the City. The City has four years to comply with this new policy. Staff has expanded the Annual Street Sealing 2015-16 project to include treatment on additional streets in an effort to spend Measure B funds quickly and meet the timely use of funds requirement.

The City was awarded a grant from the California Department of Resources Recycling and Recovery (CalRecycle) for the use of the crumb rubber chips derived from scrap rubber tires in the rubberized chip seal process and will be reimbursed at a rate of \$0.50 per square yard, up to a maximum of \$50,000.00, for each square yard of roadway where that process is applied on this project.

### **Analysis**

Bids were opened on May 24, 2016. Three (3) bids were received ranging from \$842,912.41 (base bid); \$974,495.71 (base plus additive A bid) to \$1,095,000.00 (base bid); \$1,295,000.00 (base plus additive A bid). The pre-bid engineer's estimate for construction was \$774,400.80 (base bid) and \$918,278.85 (base plus additive A bid). American Asphalt Repair and Resurfacing Co., Inc. was determined by staff to be the lowest responsible bidder.

The bid documents contained a Bid Alternate "A" for a selection of street segments in the project scope. This work was separated from the base bid so that it could be omitted from the contract in the event that bids received exceeded the available funding. In light of the requirement to spend Measure B funds in a timely manner, staff recommends that Bid Alternate "A" be included as part of this contract.

None of the bidders have an office in San Leandro and will not qualify as a local business per the Local Inclusion Policy Ordinance. Also, none of the bidders will meet the Local Business Participation Goal of 25% by subcontracting with San Leandro businesses for 25% of the contract

value. However, the low bidder provided documentation supporting a good faith effort in outreach to engage local business participation. Staff verified that the contractor has a valid license with the Contractor's State License Board and is registered with the California Department of Industrial Relations.

### Contract Change Orders

As is standard in the construction industry, staff balanced site investigation costs with the risk of finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delay on the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (or \$48,724.79) of the original contract amount and cumulative change orders up to 15% (or \$146,174.79) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

### 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 California Environmental Quality Act (CEQA) per Section 15301(c) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on March 25, 2016.

### Summary of Public Outreach Efforts

- The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and the World Journal.
- Staff also notified twenty-one builders' exchanges and construction data firms as well as a list of contractors that asked to be notified of bidding opportunities via email.
- The project is described on the Engineering and Transportation Department website.

Prior to construction, staff will notify the residents of the streets of the project and project schedule. The contractor will also provide notification in the form of door hangers immediately before the work.

### Fiscal Impacts

The total project cost including design, curb ramp upgrades, construction, contingencies and construction management is estimated at \$1,850,000.00 as follows:

Design, Bid and Award	\$ 32,000.00
Curb Ramp Upgrades	\$ 593,000.00
Cost of this Contract	\$ 974,495.71
Construction Management, Inspection, and Contingency	\$ <u>250,504.29</u>

Total Estimated Cost of Project \$1,850,000.00

Curb ramp upgrades will be completed via a separate construction contract.

The subject contract is in the amount of \$ 974,495.71. If change orders are needed, the maximum authorized by this action is \$146,174.79. Change orders that increase the project cost beyond the budget authority will not be issued without Council approval of an additional appropriation.

**Budget Authority**

This project will be funded as follows:

Current Appropriation

<u>Account No.</u>	<u>Reso &amp; Appropriation Dates</u>	<u>Amount</u>
143-38-376	Reso 2015-100, FY 2015-16	\$ 500,000.00
144-38-376	Reso 2015-100, FY 2015-16	\$ 500,000.00
<u>210-38-299</u>	<u>Reso 2015-170, FY 2015-16</u>	<u>\$ 50,000.00</u>
Subtotal		\$1,050,000.00

Appropriation requested in this action

144-38-376 (Measure B)	\$ 750,000.00
<u>150-38-376 (CalRecycle Grant)*</u>	<u>\$ 50,000.00</u>
Subtotal	\$ 800,000.00

Total Project Appropriation \$1,850,000.00

\* Requesting use of General Fund-Economic Uncertainty Fund balance reserves until reimbursed from the CalRecycle grant.

ATTACHMENTS

- Summary of street segments to receive treatment
- Bid Summary - Annual Street Sealing 2015-16

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