



Legislation Text

File #: 17-261, **Version:** 1

Staff Report for a Resolution to Award a Construction Contract to American Pavement Systems, Inc. for the Annual Street Sealing 2016-17 Project, Project No. 2017.0070; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 10% of the Original Contract Amount; and Authorization for the City Manager to negotiate and approve cumulative change orders up to 30% of the original contract amount;

SUMMARY AND RECOMMENDATIONS

The subject project will provide the application of preventive maintenance treatments on 21 City streets in the 2017 Asphalt Maintenance Area.

Staff recommends awarding the construction contract of the Base Bid and Additive Bid "A" to American Pavement Systems, Inc. in the amount of \$730,000.00 for the subject project; authorizing individual change orders up to 10% of the original contract (\$73,000.00); authorizing a total change order amount up to 30% of the original contract (\$219,000.00).

BACKGROUND

Street sealing is an annual maintenance activity that prolongs the useful life of streets. The treatments associated with this project include slurry sealing and asphalt rubber chip sealing. 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 and is based on the condition of the street.

The City is divided into four asphalt maintenance areas and each year maintenance work is concentrated within one area to improve efficiency while reducing costs. The worst streets that are suitable for each treatment within the 2017 Maintenance Area were chosen for this project, with priority given to arterial and collector streets that carry more vehicles. One of the benefits of the proposed project is its ability to extend the lifespan of streets in relatively good condition with minimum expense. A summary of street segments to receive treatments is attached.

In advance of this project and in compliance with the Americans with Disabilities Act (ADA), the City Council awarded the Curb Ramp Upgrades 2016-17 Project, Project No. 2017.0070 to Silman Construction to install curb ramps where none currently exist and to upgrade non-compliant ramps.

The California Department of Resources Recycling and Recovery (CalRecycle) awarded grant funds to the City for the use of crumb rubber chips derived from scrap rubber tires in the rubberized chip seal process. This grant funding will be reimbursed at a rate of \$0.50 per square yard. Not only does this use of recycled tires provide an excellent product, it provides for an opportunity to reduce the quantity of non-biodegradable byproducts from polluting the environment and is in line with the City's

sustainability efforts under the Climate Action Plan.

Analysis

Bids were opened on May 15, 2017. Five (5) bids were received for base plus alternate "A", ranging from \$730,000.00 to \$1,108,801.00. The pre-bid engineer's estimate for construction was \$918,278.85 (base plus additive A bid). American Pavement Systems, Inc. was determined 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. Staff recommends that Bid Alternate "A" be included as part of this contract.

None of the bidders has an office in San Leandro that would qualify them 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 that demonstrated good faith efforts to outreach and engage local business participation. Staff verified that the contractor has a valid Contractor's State License Board license 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 authorization to negotiate and approve individual change orders. Additionally, the favorable bids received provide the opportunity to increase the amount of work installed without increasing the project budget. Therefore, staff requests authority to negotiate and approve individual change orders up to 10% (\$73,000) of the original contract amount and cumulative change orders up to 30% (\$219,000) of the original contract amount.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure

Applicable General Plan Policies

- **Transportation Goal T-2** Design and operate streets to be safe, attractive, and accessible for all transportation users whether they are pedestrians, bicyclist, transit riders or motorists, regardless of age or ability.

- **Transportation Goal T-5** Improve major transportation arteries for circulation in and around the city.

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 December 2, 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 within the project of the project and its 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, construction, contingencies and construction management is estimated at \$1,636,394.00; \$1,064,455.00 for this Street Sealing work plus \$571,939.00 for the separate Curb Ramp Upgrade work.

The subject contract is in the amount of \$730,000.00. The maximum amount authorized by this action, including change orders is \$949,000.00. Change orders that increase the project cost beyond the budget authority will not be issued without Council approval of an additional appropriation.

Budget Authority

The following accounts will be used on this project:

Account No.	Source & Appropriation Date	Appropriation Amount	Funds Available (as of 4/30/2017)
150-36-013	TDA, FY 16-17 budget	\$ 76,556.00	\$ 76,556.00

143-38-381	Vehicle Registration Fees, FY 16-17 budget	\$ 425,000.00	\$ 408,000.00
144-38-381	Measure B Fund, FY 16-17 budget	\$1,075,000.00	\$1,075,000.00
010-14-010	General Fund, Community Investment Fund, FY 16-17 budget	\$ 25,947.88	\$ 25,947.88
150-38-376	CalRecycle Grant 15-16, Reso 2011-055	\$ 82,223.50	\$ 50,863.50
<hr/> TOTAL		\$1,684,727.38	\$1,636,367.38

ATTACHMENTS

- Project Area Map and List of Street Segments to receive treatment
- Bid Summary - Annual Street Sealing 2016-17

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