



Legislation Text

File #: 19-288, **Version:** 1

Staff Report for a City of San Leandro City Council Resolution to Award a \$1,720,867 Construction Contract to American Pavement Systems, Inc. for the Annual Street Sealing 2018-19 Project, Project No. 2019.0070; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% (or \$86,043) of the Original Contract Amount; to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value not to Exceed 15% (or \$258,130) of the Original Contract Amount; and to Appropriate \$950,000 from the Measure BB Fund for the Project

SUMMARY AND RECOMMENDATIONS

This contract provides for the application of preventive maintenance treatments to 19 miles of pavement on 48 separate City street segments in the 2019 Asphalt Maintenance Zone work area as shown in the Project Area Map attachment. Curb ramp upgrades associated with this project were previously awarded in a separate construction contract.

Staff recommends the following actions:

- Award a construction contract of the base plus additive alternate bid "A" to American Pavement Systems, Inc. in the amount of \$1,720,867;
- Authorize the City Manager to negotiate and approve individual change orders up to 5% (or \$86,043) of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value of 15% (or \$258,130) of the original contract amount; and
- Appropriate Measure BB Funds in the amount of \$950,000 for the project.

BACKGROUND

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

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 2019 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.

In advance of this work and in compliance with the Americans with Disabilities Act (ADA), the City Council awarded a \$799,373 contract to Rosas Brothers Construction for installation of curb ramps adjacent to cape seal work.

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 provides \$70,000 to reimburse the City at a rate of \$1.00 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 filling our landfills and polluting the environment and is in line with the City's sustainability efforts under the Climate Action Plan.

Analysis

Bids were opened on May 29, 2019. Two (2) bids were received, \$1,720,867 and \$2,165,000 (base plus additive alternate bid "A"). The pre-bid engineer's estimate for construction was \$2,199,492 (base plus additive alternate bid "A"). Staff recommends award of the base plus additive alternate bid "A" to the lowest responsive bidder, American Pavement Systems, Inc. Staff verified the contractor has a valid Contractor's State License Board license and is registered with the California Department of Industrial Relations.

None of the bidders have 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. This project is also subject to the provisions of the Community Workforce Agreement (CWA) and all Bidders signed the CWA commitment form.

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 delays to 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 change orders. Therefore, staff requests authority to negotiate and approve individual change orders up to 5% (\$86,034) of the original contract amount and cumulative change orders up to 15% (\$258,130) of the original contract amount. This will help to ensure efficient completion of the project on budget and on schedule.

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, bicyclists, transit riders or motorists, regardless of age or ability.

Transportation Goal T-3 Promote and accommodate alternative, environmentally-friendly methods of transportation, such as walking and bicycling.

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 March 3, 2019.

Summary of Public Outreach Efforts

- The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and Sing Tao.
- Staff also notified twenty-three 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.

Two mandatory pre-bid meetings were held on May 15 and May 21, 2019. The intent of these meetings was to inform bidders of the project details, including the City's Local Inclusion Ordinance and the CWA.

Prior to construction, staff will notify the residents in the immediate proximity of the work areas. The contractor will also provide notification in the form of door hangers immediately before the work.

Fiscal Impacts

The total project cost is estimated at \$3,162,009 as follows:

Design and Bid:	\$78,728
Construction Contract:	\$1,720,867
Construction Contingency:	\$258,130
<u>Construction Management and Inspection:</u>	<u>\$104,284</u>
Sub-total:	\$2,162,009
<u>Curb Ramp Upgrade Work (Previously Awarded)</u>	<u>\$1,000,000</u>
Project Total	\$3,162,009

Budget Authority

The work will be funded by the following appropriations:

<u>Account No.</u>	<u>Source</u>	<u>Fiscal Yr.</u>	<u>Amount</u>
144-38-393	Measure B Streets	FY17-18	\$258,000*
140-38-393	Gas Tax	FY18-19	\$42,000*
141-38-402	Measure BB Streets	FY18-19	\$1,180,000
142-38-402	Gas Tax (Sec. 2103)	FY18-19	\$350,000

143-38-402	Vehicle Registration Fees	FY18-19	\$400,000
150-38-402	Cal Recycle Grant	FY18-19	\$70,000
Total Currently Appropriated			\$2,300,000

Appropriation requested by this action to account 141-38-402	\$950,000
Total Proposed Project Funding:	\$3,250,000

*indicates balance available for this year of the program

The appropriation requested will be from the available and current revenue of the Measure BB Fund balance

ATTACHMENT

- Bid Summary - Annual Street Sealing 2018-19
- Project Area Map

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