

**REPORT TO THE
CITY COUNCIL
City of Salinas, California**

DATE: September 9, 2014

FROM: Gary E. Petersen, C.A.E.
Public Works Director

Thru: Robert Russell, P.E.
City Engineer

BY: Kathy Wilson, Assistant Engineer

SUBJECT: **2014 Slurry Seal Project - Project No. 9438**

RECOMMENDATION:

It is recommended that the City Council adopt a resolution approving award of contract to Graham Contractors, Inc. for the 2014 Slurry Seal Project - Project No. 9438, in the amount of \$1,212,534.

DISCUSSION:

The City of Salinas has approximately 262 centerline miles of residential, collector, and arterial paved streets. In 2011, the City slurry sealed Monte Bella Subdivision and Cottages of Mira Monte with maintenance district funds for each subdivision. Due to a shortage of Gas Tax Funds, only Moffett Street, Vandenberg Street, and La Guardia Street received a slurry seal treatment.

With limited resources, staff's focus with the City's annual street rehabilitation maintenance program is to keep streets with good pavement in good condition. It is recommended that pavements receive low cost maintenance roughly every 5-7 years to avoid higher repair/replacement costs in later years. Due to lack of preventative pavement maintenance in prior years, many City streets have deteriorated beyond a low cost slurry seal treatment and headed for a more costly pavement overlay or reconstruction, which may run 20+ times more costly than a slurry seal treatment, depending on street type and pavement/soil conditions.

This project calls to slurry seal and place pavement striping on various City residential and arterial streets that are relatively crack free with minor pavement patch/repairs.

The project consists of Base Bid 1 (various local streets located throughout the city to provide each Council district with geographic equity), and Base Bid 2 (East Market Street), and three Additive Alternatives, providing Council the ability to award one or more Additive Alternatives if low bids are received. The three Additive Alternatives are:

- Additive Alternate No. 1- West Laurel Drive from North Main Street to U.S. 101 northbound On Ramp;
- Additive Alternate No. 2- East Laurel Drive from North Main Street to Natividad Road;
- Additive Alternate No. 3- Cherokee Drive from the most southerly cul-de-sac to Madrid Street; and
- Additive Alternate No. 4- Gabilan Street from Lincoln Avenue to Monterey Street, to seal several trenches created with the downtown development.

City forces performed pavement crack seals and are currently completing damaged pavement patch/repairs on the Additive Alternative streets in preparation to receive the slurry seal.

Bids for the 2014 Slurry Seal Project were opened on August 19, 2014, with the following results (see attached Bid Tabulation Sheet for details):

<i>Contractor</i>	<i>BASE BID 1 + 2</i>	<i>ADD ALT 1</i>	<i>ADD ALT 2</i>	<i>ADD ALT 3</i>	<i>ADD ALT 4</i>
Graham Contractors, Inc.	990,353.50	57,272.50	84,065.50	54,930.50	25,912.00
Telfer Highway Technologies	993,632.50	54,344.00	79,538.20	52,349.20	19,607.80
VSS International	1,037,975.00	75,765.00	105,270.00	77,315.00	45,825.00

Based on the bids received and basis of award established, staff recommends awarding Base Bids 1 & 2 plus Add Alt's 1-4 to the lowest bidder, Graham Contractors, Inc., for the bid of \$1,212,534, which is 16% below the Engineer's Estimate.

ISSUE:

Shall the City Council adopt a resolution approving award of contract to Graham Contractors, Inc. for the 2014 Slurry Seal Project - Project No. 9438 awarding Base Bids 1 & 2 plus Add Alt's 1-4 in the amount of \$1,212,534?

FISCAL IMPACT:

Project No. 9438 is currently funded with \$1,924,887.58, which includes \$872,187.58 from FY 13/14 carryovers and \$1,052,700 approved in the CIP for FY 14/15 . To date, \$187,076.22 has been spent or encumbered on crack seals and pavement repairs by City forces and design, leaving a balance of \$1,737,811.36 to complete the project.

Based on the lowest bid received, the estimated project cost for this project is \$1,383,161, including inspection, contingencies, and administrative overhead. Below is a summary of the projected costs for the Base Bid's 1 & 2 plus Add Alt's 1-4.

Construction Cost	\$1,212,534
Administration (15% or \$50,000)	50,000
Inspection	60,000
Contingencies (5%)	<u>60,627</u>
Total Estimated Project Costs	\$1,383,161

Based on the Engineer's Estimate there are sufficient funds to award Base Bid's. 1 & 2 plus Add Alt's 1-4.

TIME CONSIDERATIONS:

Staff's goal is to complete construction by December 2014.

ALTERNATIVES/IMPLICATIONS:

Council may elect to postpone this project or to not approve this project. This is not recommended because pavement maintenance is now needed to keep the good pavements in good condition, avoiding costly repairs in later years. Further, sealing and re-stripping streets before winter rains and the holiday shopping season will benefit the community.

CEQA CONSIDERATIONS:

The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301(b) pertaining to the repair and the maintenance of existing facilities.

CITY COUNCIL GOALS:

This project generally addresses City Council's goal of providing excellent infrastructure, and providing a safe, livable community, by providing a safe and effective multi-modal transportation system.

CONCLUSIONS:

At its meeting of September 9, 2014, City Council is requested to adopt a resolution approving award of contract to Graham Contractors, Inc. for the 2014 Slurry Seal Project - Project No. 9438, awarding Base Bid's 1 & 2 plus Add Alt's 1-4 in the amount of \$1,212,534 for a total project cost of \$1,383,161.

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