



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: OCTOBER 22, 2024

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, P.E., L.S., PUBLIC WORKS DIRECTOR

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TITLE: REJECTION OF BIDS FOR THE 2024 PAVEMENT CRACK
TREATMENT ON VARIOUS STREETS PROJECT NO. 9981

RECOMMENDED MOTION:

It is recommended that City Council approve a resolution rejecting all bids received on August 13, 2024 for the 2024 Pavement Crack Treatment on Various Streets Project No. 9981.

EXECUTIVE SUMMARY:

On August 13, 2024, the city received 3 bids for the 2024 Pavement Crack Treatment on Various Streets Project No. 9981. The three bidders are Talley Oil Inc., Onyx Paving Company, Inc., and Global Road Sealing Inc., with a total Bid of \$517,650, \$589,860, and an invalid bid of \$629,650, respectively. The engineer's estimate is \$800,250, putting the proposals received lower than the anticipated bid. Following bid opening, staff became aware of a calculation oversight which significantly modified the bid quantities from 81 linear lane miles (LLM) to 57 LLM. Because the difference exceeds 25% of the bid quantity, this would allow the lowest bidder to negotiate the cost of the different quantities. Since the project had not been awarded, staff recommends rejecting all bids and rebidding the project to allow a competitive bid on the corrected project scope.

BACKGROUND:

The City maintains approximately 291 centerline miles of roadway pavement. On May 7, 2024, the City Council established the Pavement Management and Street Selection Policy (Resolution No. 22953) to strategically distribute funding to address pavement deterioration. The policy identified crack treatment as a Stop Gap/Maintenance strategy to prevent water migration into existing pavements.

On June 25, 2024, the City Council approved the 5-Year Pavement Preservation Street List (Resolution No. 23031). This list identified the streets that were to receive pavement treatment (maintenance or rehabilitation) in the coming years. In an effort to prevent the selected streets from deteriorating more rapidly, crack treatment was identified as a lower cost effort to provide a short term protection from water intrusion into the pavement subsurface.

On July 22, 2024, the City Engineer approved the project specifications and authorized the call for bids for this project. The project, in general, calls for crack treatment of existing pavements from ¼ inch to 1 inch wide to deter additional pavement deterioration from the upcoming winter season, and in preparation for additional surface treatment in future projects.

On August 13, 2024, three bids were electronically received and publicly opened and examined via a Zoom meeting with the following results (see Exhibit A – Bid Tabulation sheet for details).

Table 1. BID RESULTS

Contractor	Total Base Bid 1 and Bid Alternates 1-4
Talley Oil Inc.	\$517,650
Onyx Paving Company, Inc.	\$589,860
Global Road Sealing Inc (<i>Invalid Bid</i>)	Invalid Bid
Engineer's Estimate	\$800,250

Based on provisions of the Project Specifications, “*The basis of award shall be the lowest total bid, as noted in the Proposal. The City further reserves the right to award or reject the Base Bid or any item(s) within, depending on available funding.*” The lowest bidder is Talley Oil Inc. with a total Base Bid of \$517,650. The engineer’s estimate is \$800,250, putting the proposals received below the engineer’s estimate.

Due to a clerical error, Global Road Sealing Inc. did not submit Addendum No. 1. As stated in the bid requirements, Global Road Sealing Inc Bid was disqualified for having an incomplete bid.

Due to a calculation oversight, the total calculated unit of measure used, linear lane miles, was misrepresented to be ~81 linear lane miles (LLM), instead of ~57 LLM. The difference is approximately 30% lower. Based on Section 9-1.06 of the state standard specifications, cost adjustments may be made for bid quantity increases or decreases more than 25%. This would mean that pricing may be negotiated by the apparent low bidder outside of the competitive bidding process for the difference in quantities.

Staff recommends rejecting all bids for the 2024 Pavement Crack Treatment on Various Streets Project No. 9981, due to the oversight to the estimated project bid quantities. Staff is requesting to rebid the project following a review of the project quantities and bidding methodology.

CEQA CONSIDERATION:

Not a Project. Categorically exempt: The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301(c), Class 1), because the project proposes to maintain existing roadways.

Furthermore, the project does not qualify for any of the exemptions to the categorical exemptions found at CEQA Guidelines Sections 15300.2, because section does not apply, and we are not reconstructing or replacing any structures or facilities.

CALIFORNIA GOVERNMENT CODE §84308:

No, this project was advertised and competitively bid and is therefore exempt from California Government Code §84308.

STRATEGIC PLAN INITIATIVE:

This project, when awarded, will addresses the current City Council’s Goals of *Infrastructure and Environmental Sustainability* and *Public Safety* by maintaining the City’s existing roadways and installing new striping and signage to enhance vehicular and pedestrian safety.

DEPARTMENTAL COORDINATION:

The Public Works Department is collaborating with Legal, Administration and Finance Departments for the 2024 Crack Treatment on Various Streets Project No. 9981.

FISCAL AND SUSTAINABILITY IMPACT:

Rejecting the bids has no direct fiscal impact.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 CIP Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Resolution
Bid Tabulation