



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 17, 2025

DEPARTMENT: PUBLIC WORKS DEPARTMENT

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

BY: VICTOR SANCHEZ, ASSISTANT ENGINEER
ADRIANA ROBLES, PE, CFM, CITY ENGINEER

TITLE: 2025 PAVEMENT IMPROVEMENTS PROJECT, CIP NO. 9981

RECOMMENDED MOTION:

A motion to approve a resolution:

1. Approving the plans and specifications for the 2025 Pavement Improvements Project, CIP No. 9981;
2. Awarding a contract to Granite Construction Company in the amount of \$4,838,830.20 for the 2025 Pavement Improvements Project, CIP No. 9981;
3. Approving a 20% contingency in the amount of \$967,766 for a total not to exceed \$5,806,596.20; and
4. Delegating authority to the City Manager to execute any and all contract change orders related to this project.

EXECUTIVE SUMMARY:

The 2025 Pavement Improvements Project provides street rehabilitation and repair on Year 1 streets of the 5-Year Pavement Preservation Street List (Resolution No. 23031). On May 23, 2025, five bids were electronically received and publicly opened and read via a Zoom meeting. Following review of contractor documentation Granite Construction Company has been determined to be the apparent low responsible and responsive bidder in the amount of \$4,838,830.20 which is below the engineer's estimate. Staff recommends awarding the project to Granite Construction Company for \$4,838,830.20 and approving a 20% construction contingency for any unforeseen conditions.

BACKGROUND:

The 2025 Pavement Improvements Project (the "Project") is a continuation of the City's effort to repair and/or rehabilitate roads in areas that are deteriorated, damaged and/or in need of repair. Following field inspections of the selected roadways, staff identified a combination of treatments to apply to the roadways including crack treatment, patch and repair, aggregate base repair, and pavement overlay. The Project will improve City's existing roadways.

The selected roadways are based on the Year 1 streets identified in the 5-Year Street Pavement Preservation Street List approved by City Council on June 25, 2024 through Resolution No. 23031. Roadways include East and West Laurel Drive (from Constitution Boulevard to North Davis Road) and District 2 roadways (Wiren St, Sky Pl, Bardin Cir, Green St, Acosta St, Bardin Way, and Cortez St).

On December 11, 2024, the Department of Resources Recycling and Recovery (CalRecycle) awarded the City of Salinas with a Rubberized Pavement Grant in the amount of \$250,000. The Project will incorporate rubberized pavement, a proven road paving material that is created by blending ground rubber from tires with asphalt binder and other conventional aggregate materials to create a paving material that is durable and reduces vehicle roadway noise. Rubberized pavement will be used to overlay East and West Laurel Drive.

On April 8, 2025, staff open bids for the On-Call Services for Traffic Control Devices with one bidder submitting a bid. On May 13, 2025, City Council rejected the bid received for the On-Call Services for Traffic Control Devices due to excessive cost increases from the prior years contract. To maximize available funds, areas in high need of re-stripping were incorporated into the 2025 Pavement Improvements Project. Re-stripping will include segments of Natividad Rd/E Laurel Dr intersection, Bernal Dr/Natividad Rd intersection, and E Alisal St/Skyway Blvd roundabout.

On April 25, 2025, the City Engineer approved the project plans and specifications and authorized the call for bids for the 2025 Pavement Improvement Project.

On May 23, 2025, five bids were electronically received and publicly opened and read via a Zoom meeting. At the time of the bid opening, McKim Corporation appeared to have the lowest bid and Granite Construction Co. the second lowest bid. On May 28, 2025, a bid protest was received from Granite Construction Co. contesting McKim Corporation's self-designation as a local business enterprise. A public hearing was held on June 17, 2025 to address the bid protest.

Below are the bid results following review of bid documentation, (see Exhibit A – Bid Tabulation sheet for details).

Table 1: BID RESULTS

Contractor	Base Bid and Additive Alternatives	5% Local Preference Adjustment	Total Bid+Criteria
Granite Construction Co.	\$4,838,830.20	\$241,941.51	\$4,596,888.69
Granite Rock Co.	\$4,871,888.44	\$243,594.42	\$4,628,294.02
Coastal Paving & Excavating Inc.	\$4,984,999.00	\$249,249.95	\$4,735,749.05
McKim Corp.	\$4,780,122.31		\$4,780,122.31
JV Lucas Paving Inc.	\$6,094,206.25		\$6,094,206.25
Engineer's Estimate	\$5,655,016.38		\$5,655,016.38

The engineer's estimate for the project was \$5,655,016.38 and was based on unit prices of last year's pavement improvement project. Granite Construction Company submitted a bid of \$4,838,830.20, which is \$816,186.18 lower than, or 86% of the engineer's estimate. Based on the

bids received, staff recommends awarding the project to the lowest responsive and responsible bidder Granite Construction Company, for their bid of \$4,838,830.20.

Construction is anticipated to begin late Summer 2025, with 70 working days assigned to the project. Weather permitting, the Project should be completed by late Fall 2025.

Based on the lowest bid received, the estimated total project cost is \$6,437,256.20, including direct construction costs and soft costs. The anticipated project costs are as follows:

Table 2: ANTICIPATED PROJECT COSTS

Expenditure Description	Anticipated Expenditure
Base Bid 1	\$4,035,619.00
Additive Alternative 2	\$748,211.20
Additive Alternative 4	\$55,000.00
Contingency (20%)	\$967,766.00
Direct Project Cost Subtotal	\$5,806,596.20
Inspection (5%)	\$290,330.00
Administrative Overhead	\$50,000
City Staff Project Management and Admin. (5%)	\$290,330.00
Soft Project Cost Subtotal	\$630,660.00
Project Direct Costs	\$5,806,596.20
Project Soft Costs	\$630,660.00
TOTAL PROJECT COSTS	\$6,437,256.20

Staff recommends award of the project to the apparent lowest responsive and responsible bidder Granite Construction Company for the bid price of \$4,838,830.20.

Multiple funds are proposed to be used to implement the Project including Measure E, Measure G, Measure X, SB1, Gas Tax and the CalRecycle Grant.

CEQA CONSIDERATION:

The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301(c), Class I) because the project proposes to maintain existing roadway facilities.

Furthermore, the project does not qualify for any of the exceptions to the categorical exemptions found at CEQA Guidelines Section 15300.2 as all exceptions do not relate to the project scope of work for this project.

CALIFORNIA GOVERNMENT CODE §84308:

No. The Government Code §84308/Levine Act does not apply to this project since this was a competitive bid project.

STRATEGIC PLAN INITIATIVE:

This project relates to the 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 safety.

DEPARTMENTAL COORDINATION:

Public Works staff and Finance staff have worked together on the funding of the 2025 Pavement Improvement Project.

FISCAL AND SUSTAINABILITY IMPACT:

Sufficient funds are available through CIP 9981 to award the 2025 Pavement Improvements Project. The appropriation amounts below are based on available appropriation as of June 71, 2025.

Fund	Fund Desc	CIP Project	Appn	Appn Name	Total App	Amount of Recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
2511	SB1	9981	50.9981-66.4000	Capital Outlays	\$4,437,249.15	\$4,424,100.84	N/A	2/20/24, Res. 22903
2510	Measure X	9981	50.9981-66.4000	Capital Outlays	\$1,685,295.64	\$1,320,070.41	N/A	5/13/25, Res. 23258
1200	Measure G	9981	50.9981-66.4000	Capital Outlays	\$333,847.60	\$847.60	N/A	2/20/24, Res. 22903
1100	Measure E	9981	50.9981-66.4000	Capital Outlays	\$395,025.32	\$95,025.32	N/A	2/20/24, Res. 22903
5201	Cal Recycle Grant	9981	50.9981-66.4000	Capital Outlays	\$250,000.00	\$168,840.00	N/A	3/11/25, Res. 23206
2403	Gas Tax	9981	50.9981-66.4000	Capital Outlays	\$428,091.71	\$428,091.71	N/A	2/20/24, Res. 22903
5202	Measure X Bonds	9981	50.9981-66.4000	Capital Outlays	\$280.32	\$280.32	N/A	N/A

ATTACHMENTS:

Resolution

Exhibit A – Bid Tabulation Sheet

Exhibit B – Project Location Map

Exhibit C – Specifications