



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 8, 2021
DEPARTMENT: PUBLIC WORKS DEPARTMENT
FROM: DAVID JACOBS, P.E., L.S., PUBLIC WORKS DIRECTOR
THRU: EDA HERRERA, P.E., SENIOR CIVIL ENGINEER
BY: PATRICK FUNG, ASSISTANT ENGINEER
TITLE: 2021 CHIP SEAL PROJECT, CIP No. 9981

RECOMMENDED MOTION:

It is recommended that the City Council approve a resolution:

1. Awarding a contract to VSS International, Inc. for the 2021 Chip Seal Project, CIP No. 9981 in the amount of \$963,000; and
2. Authorizing the Public Works Director to approve Contract Change Orders up to an additional \$500,000 dollars.

RECOMMENDATION:

Staff recommends that the City Council approve a resolution awarding a contract to VSS International, Inc. for the 2021 Chip Seal Project, CIP No. 9981 in the amount of \$963,000; and authorizing the Public Works Director to approve Contract Change Orders up to an additional \$500,000 dollars.

BACKGROUND:

On August 18, 2020, City Council approved a resolution for Pavement Engineering Inc. for on-going pavement condition surveys, updates to the Street Saver Pavement Management System (PMS) database, and annual pavement condition reports. The PMS was used to identify streets in need of preventative maintenance for this Chip Seal project.

The 2021 Chip Seal Project, CIP No. 9981 project will enhance pedestrian safety and increase connectivity, mobility, and access for transit users and pedestrians. The project calls for the application of pavement crack treatment, chip seal, TRMSS surface seal, installation of signs, and installation of new striping.

City Engineer approved the project plans and specifications and authorized the call for bids for this project.

On March 30, 2021, four bids were electronically received and publicly opened and examined via Zoom meeting with the following results (see Exhibit A – Bid Tabulation sheet for details).

BID RESULTS:

Contractor	Total Base Bid 1 + Base Bid 2
VSS International Inc.	\$963,000.00
American Pavement Systems Inc.	\$999,205.00
Pavement Coatings Company	\$1,024,511.50
Doolittle Construction, LLC	\$1,736,235.00
Engineer's Estimate	\$2,792,380

Of the four bidders, none qualified for the Local Purchasing Preference. The engineering estimate for the project was \$2,792,380 and was based on unit prices of previous projects: Downtown Complete Streets and 2018 Slurry Seal Project. VSS International, Inc., submitted a bid of \$963,000, which is \$1,829,380 lower, or 34% of the engineering estimate. The bids received were significantly lower than the engineer's estimate and may be attributed to the current competitive bid climate, resulting from the effects of Covid-19 on supply and demand. Considering these factors, the three lowest bids were within six percent (6%) of each other. City Staff also performed a check on the engineer's estimate by using the Street Saver Software to estimate the cost. The cost came up to \$2.4 million, which is close to the engineer's estimate.

With the excess availability of budgeted funds, City staff will consider additional locations for chip seal and related work in the form of a contract change order.

Based on the bids received, staff recommends awarding the project to the lowest responsive and responsible bidder VSS International, Inc for their bid of \$963,000.00. Staff also recommends authorizing the Public Works Director to approve contract change orders for additional work up to \$500,000.

Construction is anticipated to begin in summer of 2021 and be completed by Fall 2021.

CEQA CONSIDERATION:

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, crosswalks, signage, and pavement striping.

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.

STRATEGIC PLAN INITIATIVE:

This item relates to the Council's Goal of "Investment Strategies/Risk Management" by investing in existing infrastructure, by performing pavement preservation treatment on the streets more commonly used and adding new striping to enhance pedestrian safety, mobility, and access for transit users and pedestrians.

DEPARTMENTAL COORDINATION:

Public Works staff and Finance staff have collaborated on the funding of the 2021 Chip Seal Project CIP 9981.

FISCAL AND SUSTAINABILITY IMPACT:

The total project funding for CIP 9981 is as follows:

Funding Source	Budget	Year-to-Date Expenditures	Year-to-Date Encumbrances	Available Funds
2510 – MX-Transport Safety & Inv Plan	\$126,253	\$23,893	102,361	0
2511 - SB1 Road Maintenance & Rehab	\$5,223,000	\$3,077,725	\$4,603	\$2,140,671
5202 - Special Const. Assist-Bonds	\$4,951,079	\$1,896,521	\$169,020	\$2,885,538
Balance (as of 5/20/21)				\$5,026,209

Based on the lowest bid received, the estimated total project cost is \$1,245,600, including direct construction costs and soft costs. The anticipated project costs are as follows:

ANTICIPATED PROJECT COSTS	
Expenditure Description	Anticipated Expenditure
Base Bid 1	\$877,000
Base Bid 2	\$86,000
Contract Change Orders / Contingency (10%)	\$96,300
Direct Project Cost Subtotal	\$1,059,300
Inspection (5%)	\$48,150
Material Testing and Quality Assurance	\$40,000
Administrative Overhead	\$50,000
City Staff Project Management and Admin. (5%)	\$48,150
Soft Project Cost Subtotal	\$186,300
Project Direct Costs	\$1,059,300
Project Soft Costs	\$186,300
TOTAL PROJECT COSTS	\$1,245,600

Based on the tabulation above, there is adequate funding available to complete the project as bid and augment the contract by \$500,000 for additional work.

ATTACHMENTS:

- Resolution
- Exhibit A – Bid Tabulation Sheet
- Exhibit B - Project Location Map