



**MEMORANDUM**

**TO:** City Council

**FROM:** Bill Robeson, Assistant City Manager/Public Works Director

**BY:** Paul Henderson, Interim Capital Improvement Project Manager

**SUBJECT:** Consideration of an Award of Contracts for Construction of the 2022 Street Repairs Project (PW 2022-05) and the 2022 Slurry Seal Project (PW-2022-06)

**DATE:** June 13, 2023

**SUMMARY OF ACTION:**

Award two construction contracts, one for the 2022 Street Repairs Project to JJ Fisher Construction, Inc. and the second contract for the 2022 Slurry Seal Project to American Asphalt South, Inc.

**IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

Total funds available for the Pavement Management Program (PMP) for FY 2023-24 is \$6,621,916 and is broken down in **Error! Reference source not found..** FY 2022-23 is anticipated to have \$4,958,536 for the construction of the PMP. FY 2023-24 of the proposed 5-year CIP includes an additional \$1,663,380 to provide sufficient funds to cover this entire project. The 2022 Street Repairs Project and 2022 Slurry Seal Project are both funded under the PMP.

**Table 1 – Pavement Management Program Budget**

Revenue Source	FY 2022-23 Anticipated		FY 2023-24 Budget	Funding Available
	FY 2022-23 Budget	to Complete or Carryover		
USHA	68,900	-	-	-
General Fund	768,685	384,343	-	384,343
SB 1	388,740	-	453,300	453,300
Sales Tax Fund	4,450,172	4,574,194	1,210,080	5,784,274
<b>Total</b>	<b>5,676,497</b>	<b>4,958,536</b>	<b>1,663,380</b>	<b>6,621,916</b>

The City has now received contractor bids for construction and consultant proposals for materials testing and inspection for the two projects, which provides a more current and actual estimate of the required cost to complete the two projects.

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Staff time will be necessary during construction for project administration, management, and inspection.

#### **RECOMMENDATION:**

1) Award a contract for the 2022 Street Repairs Project to JJ Fisher Construction in the amount of \$3,782,005 for both the base bid and additive bid; 2) Authorize the City Manager to approve change orders of 10% of the contract amount, \$378,200.50, for unanticipated costs during the construction phase of the 2022 Street Repairs Project; 3) Award a contract for the 2022 Slurry Seal Project to American Asphalt South in the amount of \$1,737,575.49; 4) Authorize the City Manager to approve change orders of 10% of the contract amount, \$173,757.55, for unanticipated costs during the construction phase of the 2022 Slurry Seal Project.

#### **BACKGROUND:**

On February 14, 2017, the City Council adopted the 2016 Update to the Pavement Management Plan and endorsed the “Critical Point Management” methodology for the City’s Pavement Management System (PMS). The Critical Point Strategy approach selects the road segments for repair or resurfacing that are at a “critical point” of deterioration. The critical point is a point located on the pavement deterioration graph which indicates the Pavement Condition Index (PCI) value is about to drop, which would trigger a more expensive maintenance or rehabilitation approach.

Based on the “Critical Point Management” methodology for the City’s PMS, the 2022 PMP was developed to maximize the available budget by employing four different pavement management strategies:

1. Preventive Maintenance (Slurry Seals)
2. Pavement Rehabilitation (Overlays)
3. Hot Spot Repairs on key city streets (Digouts)
4. Value Engineering

Strategy 1 is included in the 2022 Slurry Seal Project, and Strategies 2, 3 & 4 are included in the 2022 Street Repairs Project. At the [April 11, 2023, City Council Meeting](#), the City Council considered the four strategies for the implementation of the PMP, accepted the plans, specifications and estimates (PS&E) for the 2022 Street Repairs Project and the 2022 Slurry Seal Project, and directed Staff to solicit bids for both projects.

The 2022 Street Repairs Project was broken into a base bid, which included the most critical streets, and included an additive bid for street repairs on Corbett Canyon Road. The 2022 Slurry Project included a base bid only. Locations of the project sites are included in the [Attachment 1 of the April 11, 2023 Staff Report](#).

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Bids for both projects were received at 2pm, May 9<sup>th</sup>, 2023. The bid opening logs for the 2022 Street Repairs Project and 2022 Slurry Seal Project are included in Attachment 1 and Attachment 2 respectively. The apparent low bidders are summarized in 2.

**Table 2 – Bid Summaries**

Project Bid	Amount	Construction Contractor
2022 Street Repairs Base Bid	\$3,264,154	JJ Fisher Construction, Inc.
2022 Street Repairs Additive Bid	\$517,851	JJ Fisher Construction, Inc.
2022 Slurry Seal Bid	\$1,737,575	American Asphalt, Inc.

**ANALYSIS OF ISSUES:**

The PMP CIP budget presented at the [May 9<sup>th</sup>](#) Council Meeting included \$8.4 million, \$1,336,250 for FY 2023-24 and \$2,200,000 for FY 2024-25. The proposed revised CIP included as item 10/,a now includes \$11.4 million, \$1,663,380 for FY 2023-24. The increase of \$327,130 is for the 2022 Street Repair and 2022 Slurry Seal Projects. This additional allocation fully funds the 2022 PMP project that is needed based on the bids received and \$300,000 is included to fund the design of the FY 2024-25 PMP project so that construction can begin in Summer of 2024.

**Error! Reference source not found.** presents the current expenditure budget. The Cost column in **Error! Reference source not found.**3 assumes both project bids are awarded, including the additive bid for the 2022 Slurry Seal Project. The required budget includes a 10% construction contingency.

**Table 3 – PMP Expenditure Budget**

Expenditures	Cost
Construction	5,519,580
Construction - Public Works	25,110
Construction Contingencies	551,958
Contract Admin	58,515
Testing	74,305
Design/Survey	391,948
Studies	500
Total	6,621,916

The current FY 2023-24 PMP budget is \$6,621,916, therefore sufficient funds are available to complete both projects upon approval of the FY 2023-25 Biennial Budget and 5-year CIP.

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The critical point strategy, which was endorsed by the City Council as part of the 2016 update to the PMP, is a long-range methodology that maintains and improves roadways before degrading into a more expensive treatment. The City's Pavement Management System (PMS) annually evaluates and provides recommendations for repair and resurfacing based on this critical point approach. The cost to maintain a good condition road with a "light maintenance" treatment can be approximately twenty times less expensive than a "heavy rehabilitation" of a poor condition road. As a result, the City's budget allocation can resurface twenty to thirty more road segments in good condition than those in poor condition. Staff recommend moving forward with both the 2022 Street Repairs project and the 2022 Slurry Seal project, to ensure the City does not fall behind on critical road maintenance. Falling behind on maintenance will require significantly increased costs for repairs, and result in poor City road conditions.

The apparent low bidders for both projects are both known to City Staff and the City's design engineering consultant (PEI). Staff are confident that, if awarded, both JJ Fisher and American Asphalt will complete their respective projects in a timely manner with quality workmanship and materials. Reference checks have confirmed Staff's position. Awarding to the lowest responsible bidder is consistent with City purchasing policy, *C-003 STANDARDS FOR BID SPECIFICATIONS FOR USE IN PURCHASES, PROCEDURE 5*.

The 2022 Street Repairs project contract time is established as 90 working days for the base bid, and 20 additional working days for the additive bid. The intent is for construction to commence on, or around, July 5<sup>th</sup>, 2023 and be accomplished over the months of July through December 2023.

The 2022 Slurry Seal project contract time is established as 60 working days. The intent is for construction to commence on, or around, July 5<sup>th</sup>, 2023 and be accomplished over the months of July through September 2023.

#### **ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

- A. 1) Award a contract for the 2022 Street Repairs Project to JJ Fisher Construction in the amount of \$3,782,005 for both the base bid and additive bid;
- 2) Authorize the City Manager to approve change orders of 10% of the contract amount, \$378,200.50, for unanticipated costs during the construction phase of the 2022 Street Repairs Project;
- 3) Award a contract for the 2022 Slurry Seal Project to American Asphalt South in the amount of \$1,737,575.49,
- 4) Authorize the City Manager to approve change orders of 10% of the contract amount, \$173,757.55, for unanticipated costs during the construction phase of the 2022 Slurry Seal Project;
- B. Do not approve staff's recommendations and request further information;

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- C. Modify staff's recommendation and approve; or
- D. Provide direction to staff.

**ADVANTAGES:**

Completing both the 2022 Street Repair Project and the 2022 Slurry Seal Project will extend the service life of the treated street segments and reduce future costs and provide a smoother safer driving surface. New striping will be installed, which will provide safer driving facilities.

**DISADVANTAGES:**

There will be traffic impacts to the traveling public during construction. Staff will require traffic control to be in place during construction to minimize the impacts. The traveling public and neighborhoods will be given advanced notice of the work. City and consultant inspectors will be at the site during construction to adjust the traffic control as needed (driveway access, etc.).

**ENVIRONMENTAL REVIEW:**

At the [April 11, 2023, City Council Meeting](#) the City Council found that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301(c), a Class 1 exemption covering the repair and maintenance of existing highways, streets and sidewalks, as it consists of a plan for the repair of existing streets without an expansion of use, and found none of the exceptions to the Class 1 Exemption applied, and directed the City Clerk to file a Notice of Exemption at that time.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**Attachments:**

1. Bid Opening Log Sheet – 2022 Street Repairs Project
2. Bid Opening Log Sheet – 2022 Slurry Seal Project
3. Map of Project Streets