



# City of Chula Vista

## Staff Report

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**File#:** 15-0178, **Item#:** 9.

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CONSIDERATION OF WAIVING IRREGULARITIES IN THE BID RECEIVED FOR THE "PAVEMENT MINOR REHABILITATION FY14/15 (SLURRY SEAL) (STL401)" PROJECT PER CITY CHARTER SECTION 1009

RESOLUTION NO. 2015-104 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS AND AWARDING A CONTRACT FOR THE "PAVEMENT MINOR REHABILITATION FY14/15 (SLURRY SEAL) (STL401)" PROJECT TO PAVEMENT COATINGS CO. IN THE AMOUNT OF \$1,532,589.00; WAIVING IRREGULARITIES IN THE LOW BID RECEIVED; WAIVING CITY COUNCIL POLICY NO. 574-01; AND AUTHORIZING THE EXPENDITURE OF ALL AVAILABLE CONTINGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$114,944

### **RECOMMENDED ACTION**

Council conduct the public hearing and adopt the resolution.

### **SUMMARY**

On April 15, 2015, the Director of Public Works received sealed bids for the "Pavement Minor Rehabilitation FY14/15 (Slurry Seal) (STL401)" project. The project consists of the removal and replacement of failed asphalt concrete pavement (dig-outs) and the application of Type II Rubber Polymer Modified Slurry (RPMS) seal on various streets in the City. Scope of work on this project also includes traffic control, striping and markings, additional signage and other miscellaneous items of work necessary to complete the project.

### **ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Class 1(c) categorical exemption pursuant to Section 15301, Existing Facilities, of the State CEQA Guidelines. Thus, no further environmental review is necessary.

### **BOARD/COMMISSION RECOMMENDATION**

Not Applicable

### **DISCUSSION**

The Public Works Department utilizes a Pavement Management System (PMS) and pavement preservation program to develop the priority list of streets to rehabilitate and preserve throughout the city. This preservation program is designed to extend the roadway life and serviceability through the removal and replacement of deteriorated sections of pavement (dig-outs) and the application of various types of surface treatments. The application of the RPMS slurry seal surface treatment on the street segments shown in Attachment 1 will complete the overall maintenance strategy on these street segments.

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A majority of the streets included in this contract were included in the Capital Improvement Program (CIP). However, during inspection it was found that several other streets in the vicinity of the streets on the original project list were in similar condition and could also benefit from a seal in accordance with the City's Pavement Management System. These 61 street segments are included in Attachment 1, but are listed separately on Attachment 2. It is recommended that these streets be included, because it is more cost-effective to resurface streets within close proximity to each other and because they were originally constructed about the same time period.

In addition to applying the RPMS slurry seal, the scope of work also includes the dig-out and repair of asphalt pavement, weed removal and treatment with herbicide, crack filling, pavement striping, markings and installation of new signs, traffic control, protection and restoration of existing improvements and other miscellaneous work necessary to successfully complete the project.

On April 15, 2015, the Director of Public Works received three (3) bids for the "Pavement Minor Rehabilitation FY14/15 (Slurry Seal) (STL401)" project. The following bids were received:

	CONTRACTOR	SUBMITTAL RESULT	BID TOTAL SUBMITTED
1	Pavement Coatings Co.- Jurupa Valley, CA	All requirements met but with \$600.00 Mathematical error. New total is <b>\$1,532,589.00</b>	\$1,533,189.00
2	American Asphalt South, Inc. - Fontana, CA	All requirements met	\$1,553,648.00
3	Intermountain Slurry Seal - Elk Grove, CA	All requirements met	\$1,827,728.00

Staff reviewed the low bid submitted by Pavement Coatings Co. and determined their bid package met all the submittal requirements but with a minor mathematical error of \$600 favoring the City. The error occurred in the extended price of bid line item 6. Staff contacted Pavement Coatings Co. and informed them of the discrepancy. The revised bid total did not change the standing of the two lowest bidders. Pavement Coatings Co. submitted a letter to the City (Attachment 3), acknowledging the discrepancy and honoring the revised lower bid total of \$1,532,589.00. The bid submitted by Pavement Coatings Co. is below the Engineer's estimate of \$1,643,593.37 by \$111,004.37 (or approximately 6.75%).

The Contractor has satisfactorily performed construction projects of similar scope for the City in the past and staff has determined their work to be satisfactory. The Contractor's License No. 303609, as well as all listed sub-contractors' licenses, are current and active. Staff therefore recommends awarding a contract in the amount of \$1,532,589.00 to Pavement Coatings Co.

Additionally, City Council Policy No. 574-01 allows the Director of Public Works to authorize a maximum cumulative change order(s) amount of \$73,000 plus 5% of the original contract over \$1,000,000 without City Council prior approval. Based on the contract amount, the maximum aggregate contract increase that may be approved by the Director of Public Works under Policy No.

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574-01 is \$99,629.45. The proposed resolution would increase the Director of Public Works' cumulative change order authority to approve change orders, as necessary, up to the 7.5% contingency amount of \$114,944, which is an increase of \$15,314.55 over Policy No. 574-01.

Increasing the contingency funds will allow staff to continue the project without delay should unforeseen circumstances resulting in increased project costs arise during the course of construction, as well as make adjustments to bid item quantities. Unforeseen conditions include such items as utility conflicts, hazardous materials, unexpected underground conflicts, etc. Any remaining unused contingency funds will be returned to the project fund balance.

#### Disclosure Statement

Attachment 4 is a copy of the Contractor's Disclosure Statement.

#### Wage Statement

The source of funding for this project is Gas Tax funds. This is a prevailing wage project and Contractors bidding this project are required to pay prevailing wages to persons employed by them for the work under this project. Disadvantaged businesses were encouraged to bid in the Notice Contractors for various trade publications.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it solely concerns the repair, replacement or maintenance of existing streets, sewer, storm drainage or similar facilities and, as such, the financial effect of the decision on real property is presumed to be not material, pursuant to California Code of Regulations Title 2, sections 18704.2(b)(2). Consequently, this item does not present a conflict under the Political Reform Act (Cal. Gov't Code § 87100, et seq.). Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

#### **LINK TO STRATEGIC GOALS**

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The goal of the "Pavement Minor Rehabilitation FY14/15 (Slurry Seal) (STL401)" project is to support the Strong & Secure Neighborhood strategy identified in the City's Strategic Plan. The maintenance and rehabilitation of public infrastructure is a key City function providing a safe and efficient roadway system for residents, businesses and visitors alike.

#### **CURRENT YEAR FISCAL IMPACT**

The following is a summary of anticipated project costs:

<b>FUNDS REQUIRED FOR CONSTRUCTION</b>	
A. Contract Amount	\$1,532,589.00 \$
B. Contingencies (Approx. 7.5%)	114,944.00 \$
C. Staff Time, Material Testing & Other Costs (Approx.10%)	153,259.00
<b>CONSTRUCTION TOTAL</b>	<b>\$1,800,792.00</b>

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There is no direct impact to the Gas Tax Fund as sufficient funding is available in the project to cover construction and staff costs..

### **ONGOING FISCAL IMPACT**

Upon completion of the project, the improvements will require only routine City street maintenance. The improvements are anticipated to increase the life of the streets included, mitigating the cost of possible future major repairs.

### **ATTACHMENTS**

1. Street Segments and Plats
2. New Street Segments in STL401
3. Pavement Coatings Co. Letter dated April 16, 2015
4. Disclosure Statement

*Staff Contact: Elizabeth Chopp, Senior Civil Engineer*