



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW15-17 for Slurry Seal - 2015 and Finding of CEQA Categorical Exemption

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$361,300 to Graham Contractors, Inc. of San Jose for Slurry Seal - 2015 (Public Works Project No. ST-15/01-15). Approval is also requested for a 10% construction contingency in the amount of \$36,130.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a categorical exception pursuant to Class 1, Section 15301(c) for the rehabilitation of existing streets.

BACKGROUND AND DISCUSSION

The annual slurry seal of City streets provides for maintenance of a portion of the City's streets each year. Slurry seal is the application of a mixture of oil, water, sand and selected additives to the surface of a street, which when allowed to dry/cure, provides a thin wearing surface and seals the underlying surface materials to assist in blocking the access of water into the subgrade. Slurry seal is a maintenance treatment that extends the life of a road surface, and is economical, easy to apply and has a low life cycle cost.

An annual pavement condition survey is used by Pavement Operations staff to determine which streets will benefit most from slurry sealing. The scope of this year's project is to slurry seal approximately 52,800 square feet of downtown parking lots (Type I) and approximately 2.5 million square feet of City streets (Type II and Type III). Site locations are shown in Attachment 3.

The project was bid as follows:

Bid Notice: Advertised in The Sun on February 13, 2015;
 Provided to 18 Bay Area Builder's Exchanges;
 Posted on Onvia Demandstar public procurement network; and
 Published on the City's website.

Bid Response: 14 contractors requested bid documents.

Bid Results: Sealed bids were publicly opened on March 4, 2015;
 Five (5) responsive bids were received.

The lowest responsive and responsible bid was from Graham Contractors, Inc. in the amount of \$361,300. The bid amount is approximately 29% above the engineer's estimate of \$280,000. The Bid

Summary is attached. The variation from the engineer's estimate is largely attributable to higher slurry materials and trucking costs as demand continues to increase during this robust economic climate. Though the project cost is significantly higher than estimated, staff feels the low bid represents a reasonable price for this project in the current business cycle, and recommends accepting the bid from Graham Contractors, Inc., the lowest responsive and responsible bidder. Staff also recommends the award of a 10% construction contingency.

FISCAL IMPACT

Project costs are as follows:

Construction	\$361,300
Construction contingency (10%)	<u>\$36,130</u>
Total cost	\$397,430

Budgeted funds are available in the following capital projects: 828030 (Annual Slurry Seal of City Streets), 827570 (Downtown Parking District Major Maintenance) and 825290 (Pavement Rehabilitation). Funding for these projects comes from a variety of sources including the General Fund, Gas Tax Fund, SB83 VRF Road Improvement Fund, and the Parking District Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Make a finding of CEQA categorical exemption pursuant to Class 1, Section 15301(c) for the rehabilitation of existing streets, 2) Award a construction contract, in substantially the same format as Attachment 2 to the report and in the amount of \$361,300, to Graham Contractors, Inc. for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; and 3) Approve a 10% construction contingency in the amount of \$36,130.

Prepared by: Pete Gonda, Purchasing Officer
Reviewed by: Grace K. Leung, Director, Finance
Reviewed by: Manuel Pineda, Director, Public Works
Reviewed by: Robert A. Walker, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract
3. Site Locations