

REPORT TO CITY COUNCIL

DATE: JUNE 13, 2007

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: RAMIRO ADEVA, CITY ENGINEER

SUBJECT: CONTRACT AWARD FOR THE 2007-2008 STREET RESURFACING PROJECT; NIB 07-02

On May 9, 2007, City Council authorized staff to seek bids for the 2007-2008 Street Resurfacing Project; NIB 07-02. The scope of work consists of resurfacing 19 residential streets and a commercial section of Canwood Street (over 6 lane-miles) with rubberized asphalt concrete (RAC). The streets for this annual project are selected based upon priorities determined by the latest Pavement Management System report. The project map from the May 9th Council meeting is attached for reference.

On June 5, 2007, the City Clerk opened sealed bids from seven (7) contractors. The bid results were as follows:

Hardy & Harper, Inc.	\$769,000
Security Paving	\$787,620
All American Asphalt	\$824,340
Sully Miller	\$828,369
Excel Paving	\$830,972
General Pavement Management	\$873,396
Nye & Nelson	\$963,862

Staff reviewed the bid submittal of the apparent low bidder, Hardy and Harper, Inc., and deemed their bid responsive and acceptable. Hardy and Harper, Inc. completed the FY 2006-07 Resurfacing Project for the City with favorable results.

Staff is recommending a 20% contingency for this project due to the nature of repairs needed for Canwood Street. Because of the extent of structural damage to this segment of roadway, a standard overlay will not be sufficient. Instead, a complete reconstruction of this portion of Canwood Street is required. The actual extent of damage to this section of roadway cannot be precisely determined until construction occurs, and the condition of each layer underneath the pavement surface can be evaluated.

The proposed FY 2007/08 Budget includes \$500,000 from the General Fund, \$100,000 from the Gas Tax Fund, \$100,000 from the Traffic Safety Fund, and \$300,000 of SB1266 funds for a total of \$1,000,000.

Depending on the actual extent of reconstruction needed for Canwood Street, it is possible that actual construction costs could fall well below the project budget. In this scenario, staff recommends adding more streets to the contractor's scope-of-work via change orders during construction. Also, staff recommends that an additional 10% be included in the project budget to allow the flexibility of adding more streets to the pavement schedule, which assists in achieving the City Council's desire to achieve a PCI rating of 70 or better for all public streets within the next 10 years. Construction is anticipated to take approximately six (6) weeks with no work to be done on holidays.

RECOMMENDATION

Staff respectfully recommends the City Council:

1. Award the contract for the 2007-2008 Street Resurfacing Project; NIB 07-02, to Hardy and Harper, Inc.; in the amount of \$769,000; and
2. Authorize a project contingency of 20%, and an additional 10% funding, in conformance with State law, to allow the flexibility of adding streets to the pavement schedule. This brings the total project budget to \$1,000,000; and
3. Authorize the Mayor to sign the contract agreement.

Attachments: 2007-08 Street Resurfacing Project Map/Street List