



Council Agenda Report

From: Ditas Esperanza, Capital Projects Engineer

Subject: Construction Contracts for the West Side Slurry Seal Project and for Road Maintenance of the Bolen and Caddie Street Neighborhoods Project

Date: November 21, 2017

Facts

1. In 2016, the City Council authorized staff to engage the services of Pavement Engineering, Inc. (PEI), to evaluate the City’s street system and rate each street segment of its Pavement Condition Index (PCI). The last time this was completed was in 2005, when the average PCI of the City’s streets was 63.5, which is considered only “fair.” The work was completed and presented to a Council workshop on July 13, 2017. The results show a continuing decline in pavement condition, and identify for each street segment in the city the proper maintenance/repair method.
2. When the voters approved the supplemental sales tax in 2012, the City Council adopted a 5-year plan for major street improvements. With one year to go on completing those projects, it is time to start doing additional road maintenance and repairs. Top priority work that can be completed in the near term is slurry sealing (or other light maintenance treatment) of several street sections on the west side of the city to keep those streets from further deterioration – a high value for a less expensive treatment. In addition, there are a couple sections of street—including the Bolen neighborhood and the Caddie Street area--that are in bad condition and require a rehabilitation treatment now (not full dig up and repair, but a significant pavement treatment like grind and overlay).
3. On June 20, 2017, the City Council authorized city staff to proceed with the preparation of bid documents for the two projects noted above:
 - West Side Slurry Seal
 - Bolen/Caddie Neighborhood streets light rehabilitation
4. At the bid opening on October 19, 2017, five bids were opened for the West Side Slurry Seal project and four bids were opened for the Bolen/Caddie neighborhood streets light rehab project:

<u>West Side Slurry Seal</u>	<u>Bid Total</u>
Souza Construction	\$1,055,000.00
Papich Construction	\$1,139,171.35
VSS International	\$1,231,000.00
Sierra Nevada Construction	\$1,348,007.00
Ferravanti Paving & Grading	\$1,621,470.00

<u>Bolen/Caddie Neighborhood Streets</u>	<u>Bid Total</u>
Souza Construction	\$937,000.00
Ferravanti Paving & Grading	\$1,037,412.29
R. Burke Corporation	\$1,064,329.00
Papich Construction	\$1,067,168.45

5. PEI will be assisting staff in performing construction inspection and testing of the above projects. PEI’s fees are:

West Side Slurry Seal	\$89,120 (+ 10% contingency) for the amount of \$98,000
Bolen/Caddie Light Rehab	\$77,900 (+ 10% contingency) for the amount of \$85,700

6. Staff had anticipated that the West Side Slurry Seal Project would need a budget of \$1,500,000. The construction bid received was lower than expected. As a result, Council could consider adding 12th Street, from Merry Hill to Fresno. The scope of work would be to place a 1-inch leveling course and a 1-3/4-inch surface course edge to edge with AC berms on both sides where there are no existing curbs. Cost for this work is estimated at \$200,000.

Options

1. Take no action;
2. Authorize staff to accelerate street maintenance work by awarding construction and construction management services contracts for the West Side Slurry Seal Project and for Caddie/Bolen Neighborhood Street repairs, including the 12th Street additional work;
3. Proceed, without the 12th Street additional work;
4. Direct staff to pursue a different course of action.

Analysis and Conclusions

Cost-effective pavement preservation is being able to apply the correct treatment, at the right time, using the appropriate materials. Performing maintenance at the critical point of pavement before it deteriorates rapidly will preserve the City’s investment on its road network. Staff reviewed the low bids submitted and found them to be responsive and responsible bids:

<u>West Side Slurry Seal</u>	Bid Total
Souza Construction	\$1,055,000
<u>Bolen/Caddie</u>	Bid Total
Souza Construction	\$937,000

Fiscal Impact

During the Biennial Budget Report, City Council appropriated \$850,000 for the West Side Slurry Seal project. Approximately \$400,000 of design costs have been expended-to-date, which leaves an available budget of \$450,000 to be used towards the construction phase. An additional appropriation of \$1,028,500 from General Fund reserves would be needed to complete the West Side Slurry Seal Project.

Budgeted appropriations were not established for the Bolden/Caddie Neighborhood Project and \$1,131,400 would need to be appropriated from General Fund reserves to fund the costs related to this project.

There are adequate funds from the General Fund (from the Supplemental Sales Tax and other sources) to complete this work.

The funds can be allocated to the following project accounts to allow the projects:

<u>West Side Slurry Seal: Budget No. 1009101-54520-C0085</u>	
Construction contract \$1,055,000 + 10% contingency	\$1,160,500
Add Change Order as noted above	200,000
Construction Inspection and Testing	98,000
Miscellaneous Office Expense Fees	<u>20,000</u>
Total Budget	\$1,478,500
<u>Bolen/Caddie Neighborhood: Budget No. 1009101-54520-C0106</u>	
Construction contract \$937,000 + 10% contingency	\$1,030,700
Construction Inspection and Testing	85,700
Miscellaneous Office Expense Fees	<u>15,000</u>
Total Budget	\$1,131,400

Recommendation

1. Approve Resolution #17-XXX appropriating \$2,159,900 from the General Fund reserves to properly account for the West Side Slurry Seal project (including 12th Street from Merry Hill to Fresno) and the Bolen/Caddie Neighborhood Resurfacing project to the FY 2017-18 budget; and
2. Authorize the City Manager to enter into contracts with the following firms:

West Side Slurry Seal

Souza Construction	\$1,360,500	(i.e., \$1,160,500 + \$200,000 for 12 th Street)
Pavement Engineering Inc.	\$98,000	

Bolen/Caddie Neighborhood

Souza Construction	\$1,030,700	
Pavement Engineering Inc.	\$85,700	

Attachments

1. Resolution No. 17-XXX

RESOLUTION NO. 17-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AMENDING THE BUDGET FOR THE WEST SIDE SLURRY SEAL PROJECT AND FOR ROAD
MAINTENANCE OF THE BOLDEN AND CADDIE STREET NEIGHBORHOOD PROJECT FOR
FISCAL YEAR 2017-18

WHEREAS, the City Council is required to adopt a comprehensive operating and capital expenditure budget in order to authorize the receipt of revenues and to authorize, guide, and direct the City's activities; and

WHEREAS, the City Council adopted a biannual budget for Fiscal Years 2016-2017 and 2017-18 on June 21, 2016; and

WHEREAS, that budget contained all projected revenues, appropriations, and transfers, as well as the number and classification of all approved positions, to be implemented by the City Manager; and

WHEREAS, in 2016, the City Council authorized staff to engage the services of Pavement Engineering, Inc. (PEI), to evaluate the City's street system and rate each street segment of its Pavement Condition Index (PCI); and

WHEREAS, the City Council has given direction on a multi-year street maintenance plan, such that work is undertaken using a "critical point management" system to extend a street's useful life, by scheduling work when it is most cost effective, instead of the usual approach of scheduling work based on cash flow.

WHEREAS, budgets are plans, and plans change as new information comes to light and as the environment in which the City operates changes; and

WHEREAS, delaying maintenance and repair work on streets often increasing the cost of the needed work at a much higher rate than inflation. Thus, it behooves the City to advance money for the work from reserves and then repay the reserves as the revenues are received.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of El Paso de Robles does hereby approve and/or direct the following budgetary actions:

1. The proposed amendments to the FY 2017-18 Operating and Capital Improvement General Fund Budget in the amount of \$2,159,900 are hereby approved.

APPROVED by the City Council of the City of Paso Robles this 21st day of November, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Steven W. Martin, Mayor

Kristen L. Buxkemper, Deputy City Clerk