

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 10, 2006

Subject

Award of Contract – 2005-2006 Asphalt Rubber Chip Seal Project.

Recommendation

Approve the Contract Documents, and award the contract for the 2005-2006 Asphalt Rubber Chip Seal Project to the lowest responsible bidder, International Surfacing System, Inc. of Modesto, California, for their low bid of \$486,941.96.

Background

This Chip Seal Project is a continuation of the City's Pavement Management Program's annual roadway maintenance and rehabilitation projects. The Asphalt Rubber Chip Seal (ARCS) Project is the first part of a two-part resurfacing treatment. The second part is the Slurry Seal application, which will follow the ARCS Project (by a few weeks), and will then complete the new Cape Seal surface treatment.

Cape Seals, generally applied to low volume/residential streets, rehabilitate the pavement by providing a new wearing surface and by sealing out water from the underlying pavement. The Chip Seal portion of the treatment involves application of asphalt rubber emulsion (binder) on the roadway surface, and spreading crushed stone (chips) on binder-covered surface.

Separating the Cape Seal treatment work into two separate projects allows the City to contract and coordinate directly with each of the contractors performing the respective specialty work. We believe that is more cost effective, and will result in a better quality product.

In advance of the Cape Seal treatment, preparatory work is performed by the Public Works Services' Street Maintenance Section. This work typically involves sealing cracks and placing thin layers of new asphalt pavement to level the surface, and to remove depressions, ruts, and surface raveling.

The "bid opening" for this project was held on June 21, 2006. One bid was received from International Surfacing Systems, Inc. in the amount of \$486,941.96, which is 14% higher than the Engineer's Estimate of \$426,700. Staff considers this to be a good and acceptable bid.

Staff believes that the low bidder turnout, and higher than estimated construction cost is due in part to the large amount of construction projects currently out to bid, and under

construction. (California Department of Transportation currently has a large number of projects tentatively scheduled to go out to bid in July.) As a result of this, we believe that contractors are being more selective in submitting bids, and this is driving up the bid prices. In addition, the higher than expected increase in cost for asphalt based materials is further driving up the cost of this project.

Also, this type of resurfacing project involves specialty work, and there are very few contractors that perform this type of work in the Bay Area.

For the reasons stated above, staff believes that re-bidding this project will not yield a more competitive bid price.

International Surfacing Systems, Inc. (formerly known as Western States Surfacing, Inc.) has successfully completed projects for the City in the past, and is considered to be a qualified and responsible contractor.

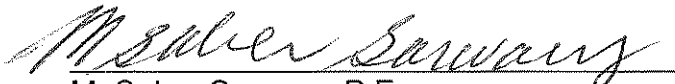
A copy of the Agreement is available for review in the Clerk's office.

Alternatives

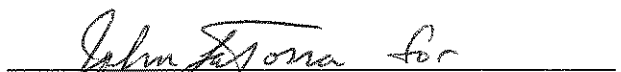
Do not approve the contract for the 2005-2006 Asphalt Rubber Chip Seal Project, which would leave the proposed project streets in their existing deteriorated condition.


Fiscal Impacts

Funds in the amount of \$1,000,000 are appropriated in the 2005-2006 Capital Improvement Program budget as part of the Transportation (Measure "A") Fund. The upcoming Slurry Seal Project will be funded from the same fund source.


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