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Title: Actions pertaining to the Requirements Contract to Furnish and Install Slurry Seal on Various Streets - Bid File No. 9539 (All Districts)

1. Adopt a finding of Categorical Exemption per staff determination, pursuant to Section 15301/Class 1, of the California Environmental Quality Act guidelines
2. Award a requirements contract to Sierra Nevada Construction, Inc. of Sparks, Nevada with an annual budgeted allocation of \$2,863,389

Sponsors: Public Works Department

Indexes:

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Attachments: 1. 20-00616 BidEvaluation, 2. 20-00616 Fiscal Impact Statement, 3. 20-00616 Vicinity Maps, 4. 20-00616 Standardized Requirements Contract, 5. 20-00616 CategoricalExemptionAssessment No PW00884

Date	Ver.	Action By	Action	Result
6/11/2020	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

June 11, 2020

FROM: SCOTT L. MOZIER, PE, Director
Public Works Department

THROUGH: RANDALL W. MORRISON, PE, Assistant Director
Public Works Department, Engineering Division

BY: CECILIO F. GARCIA, Supervising Engineering Technician
Public Works Department, Project Management Section

SUBJECT

Actions pertaining to the Requirements Contract to Furnish and Install Slurry Seal on Various Streets - Bid File No. 9539 (All Districts)

1. Adopt a finding of Categorical Exemption per staff determination, pursuant to Section 15301/Class 1, of the California Environmental Quality Act guidelines
2. Award a requirements contract to Sierra Nevada Construction, Inc. of Sparks, Nevada with an annual budgeted allocation of \$2,863,389

RECOMMENDATIONS

Staff recommends that the City Council adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1, of the California Environmental Quality Act (CEQA) guidelines, award a requirements contract to Sierra Nevada Construction, Inc. of Sparks, Nevada with an annual budgeted allocation of \$2,863,389 (with the provision for three, one-year extensions) based on their bid of \$2,863,389, which was determined to be the lowest responsive and responsible bid to furnish and install slurry seal on various streets, as described in the bid proposal, and authorize the Public Works Director or designee to sign the requirements contract on behalf of the City of Fresno.

EXECUTIVE SUMMARY

The City of Fresno has identified a need for the application of slurry seal surfacing on various streets for routine maintenance. The contract term is for one year with provisions for three, one year extensions. This project will utilize Measure "C" Street Maintenance funding, Senate Bill 1 (SB 1) funding from the FY2020 project list, and Council Infrastructure funding. The project scope includes the application of slurry seal and striping on residential, collector and arterial street segments within the City.

BACKGROUND

As existing streets age, the pavement surface slowly deteriorates by a combination of wheel traffic and weather conditions. Over time, this process will expose and then erode the aggregate material (rocks) within the pavement section which provides the majority of the structural strength of the pavement. As the process continues the pavement section will become structurally deficient. Rehabilitation of pavement that has deteriorated is costly and can range from the placement of an asphalt concrete overlay to the removal and replacement of the entire pavement section. The application of a slurry seal is a cost effective preventive maintenance procedure which extends the life of existing pavement sections by replacing the thin layer of asphalt worn away by the traffic and weather. This requirements contract will supplement the ongoing crack sealing, pothole repairs and other maintenance performed by the Street Maintenance Division. By applying slurry treatments to residential and suitable major streets on a 7-10 year frequency, this can restore a "good" street to an "excellent" street and prevent it from falling into "fair" to "at risk" condition. The cost to mill and repave a street ranges from 8 to 20 times the cost of a slurry treatment. Full reconstruction costs 40 times more than a slurry, demonstrating the strong value of allocating a portion of the City's transportation resources into preventive maintenance.

The bids submitted for this requirements contract were based on a compilation of street segments that require the application of slurry seal during FY2020. Staff has prepared general construction specifications for this project. The Notice Inviting Bids was advertised and published in the Business Journal on April 3, 2020, posted on the City's website and was sent via fax to 10 building exchanges. The specifications were distributed to 29 prospective bidders. Five sealed bid proposals were received and opened in a public bid opening on April 28, 2020, with the bids ranging from \$2,863,389 to \$3,620,187.80. Sierra Nevada Construction, Inc. is deemed the lowest responsive and responsible bidder. The apparent low bid price was 6% below the Engineer's Estimate. The bids will expire 64 days after the bid opening on July 1, 2020.

Staff recommends that the City Council adopt a finding of Categorical Exemption and award a requirements contract to Sierra Nevada Construction, Inc. of Sparks, Nevada with an annual

budgeted allocation of \$2,863,389 (with the provision for three, one-year extensions) based on their bid of \$2,863,389 and authorize the Public Works Director or designee to sign the requirements contract on behalf of the City of Fresno. The City Attorney's Office has approved said contract to form.

ENVIRONMENTAL FINDINGS

Staff performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in CEQA Guidelines, Section 15301/Class 1 which exempts the repair, maintenance or minor alteration of existing structures or facilities, which includes existing streets, sidewalk and gutters, and no further expansion of an existing use, because the project includes the application of slurry seal and pavement striping. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference was not implemented because none of the bids received met the criteria as a local contractor.

FISCAL IMPACT

The overall cost of this Citywide project is \$2,913,389. The program will be 56% funded by Measure "C" Street Maintenance funding, 37% funded by SB1 funding, and 7% funded by Council Infrastructure General Fund resources. Of the total project cost, \$2,863,389 will be used for the requirements contract award for the first year. All funds necessary for the contract award are included in the current fiscal year budget as previously adopted by the Council.

Attachments:

Bid Evaluation

Fiscal Impact Statement

Vicinity Maps

Standardized Requirements Contract

Categorical Exemption Environmental Assessment No. PW00884