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Title: Award a requirements contract to Pavement Coatings Co. in the amount of \$4,285,800.00 per year to furnish and install slurry seal on various streets (Bid File 9622).

Sponsors: Public Works Department

Indexes:

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Attachments: 1. 22-204 Bid Evaluation and Fiscal Impact Statement

Date	Ver.	Action By	Action	Result
4/21/2022	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

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SUBJECT

Award a requirements contract to Pavement Coatings Co. in the amount of \$4,285,800.00 per year to furnish and install slurry seal on various streets (Bid File 9622).

RECOMMENDATION

Staff recommends that the City Council award a requirements contract in the amount of \$4,285,800.00 per year for one-year with the option for four, one-year extensions to Pavement Coatings Co. as the lowest responsive and responsible bidder and to authorize the Public Works Director or designee to sign the contract on the City's behalf.

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 four, one-year extensions. This project will utilize State Gas Tax and Measure "C" funding. The project scope includes the application of slurry seal and striping on residential, collector and arterial street

segments within the City.

BACKGROUND

As streets age, the pavement surface deteriorates from a combination of vehicle traffic and weather conditions. Over time, this process exposes and erodes the aggregate material within the pavement section which reduces the structural strength of the pavement. As the erosion process continues the pavement section will become structurally deficient. Reconstruction of pavement that has deteriorated is costly and can range in scope from an asphalt overlay to the removal and reconstruction of the entire pavement section. The application of a slurry seal is a cost-effective preventive maintenance treatment that extends the life of existing pavement by replacing the thin layer of asphalt worn away by traffic and weather. This requirements contract will supplement the ongoing crack sealing, pothole repair and other maintenance performed by the Street Maintenance Division.

The Notice Inviting Bids was advertised and published in the Business Journal on October 20, 2021, posted on the Planet Bids website and was sent to 12 building exchanges. The specifications were distributed to 11 prospective bidders. One sealed bid proposal was received and opened in a public bid opening on November 16, 2021. Pavement Coatings Co. is deemed the lowest responsive and responsible bidder.

Allocation for the FY2022 operating budget component of this expenditure is \$770,000. Although the contract price is above the FY2022 operating budget allocation, this contract crosses fiscal years, and the contract will be utilized with proposed FY2023 allocations. Additional slurry work funded by capital budget allocations and other City Departments may also utilize this contract. By awarding this requirements contract, the contract can be utilized in both FY2022 and FY2023. This contract is a requirements contract, and the City is not obligated to any minimum purchase. If budget appropriations are reduced, the City will reduce the amount of slurry seal so as to not exceed the City budget allocations.

Because this project was bid on October 20, 2021, prior to the effective date of the PLA (January 27, 2022), the PLA is not applicable to this project and the terms of the PLA will not be included in the contract with Pavement Coatings Co. Furthermore, the City is currently waiting for a determination from the Fresno County Transportation Authority regarding authorization to incorporate the PLA on contracts funded by Measure "C", the primary funding source for the slurry seal program. The Building and Construction Trades Council was consulted and concurred with the recommendation to award this contract without a PLA.

Staff recommends that the City Council award a requirements contract to Pavement Coatings Co. of Sacramento, California for \$4,285,800.00 per year with the provision of four, one-year extensions, and authorize the Public Works Director or designee to sign the contract on behalf of the City of Fresno.

The City Attorney's Office has approved as to form.

ENVIRONMENTAL FINDINGS

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378, this item is not a project for the purposes of CEQA.

LOCAL PREFERENCE

Local preference was not implemented due to this contract utilizing State funding.

FISCAL IMPACT

Appropriations for slurry seal are included in the FY2022 adopted budget, and consist of State Gas Tax, and Measure C.

Attachment:
Bid Evaluation and Fiscal Impact Statement