

REPORT TO COUNCIL

City of Sacramento

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www.CityofSacramento.org



CONSENT
June 26, 2007

Honorable Mayor and
Members of the City Council

Title: Change Order: 2007 Seal Coat Project (PN: RM72)

Location/Council District: Various streets in Council District 5.

Recommendation: Adopt a **Resolution:** 1) suspending competitive bidding in the best interests of the City; 2) authorizing the City Manager to execute Change Order No. 1 to City Contract # 2007 - 094 with Valley Slurry Seal Company in an amount not to exceed \$298,767; and 3) approving the transfer of \$400,000 (Fund 202) from the 2007 Federal Overlay Project (PN: RM73) to the project.

Contact: Greg Smith, Associate Engineer, (916) 808-8364; Jon Blank, Supervising Engineer, (916) 808-7914

Presenters: None

Department: Transportation

Division: Engineering Services

Organization No: 3434

Description/Analysis

Issue: The Street Seal Coat Program is an annual preventive maintenance strategy applied to street surfaces about once every ten years to extend the useful life of the existing pavement. The contract awarded to Valley Slurry Seal Company did not include residential streets in District 5 that are in need of street preventative maintenance. This report requests the approval of Change Order No. 1 with Valley Slurry Seal Company in the amount of \$298,767 to provide preventative maintenance for various streets (see Exhibit A) in Council District 5. As this would increase the contract scope of work, it is necessary for the Council to suspend competitive bidding prior to approving this addition.

Policy Considerations: The action requested is consistent with the Sacramento City Code, Title 3 and with the City of Sacramento Strategic Plan goals of improving and expanding public safety and enhancing livability. The

City Code allows the City Council to suspend competitive bidding when the Council determines, on a 2/3 vote, that it is in the City's best interests. Staff believes that the recommended actions are in the City's best interests, because (1) the approval of Change Order No. 1 will provide for necessary preventative maintenance and extend the useful life of the existing pavement for various streets in Council District 5, and (2) this work will be performed at the unit prices specified in the existing contract, which were obtained through competitive bids opened on April 25, 2007.

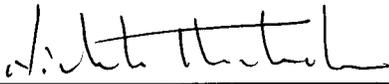
Environmental Considerations: The Development Services Department, Environmental Planning Services, has reviewed the proposed project and has determined that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) under Class 1, Section 15301(c) of the CEQA Guidelines. Projects exempted under Class 1, Section 15301(c) consist of the operation, repair, or minor alteration of existing highways, streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities involving negligible or no expansion of use.

Rationale for Recommendation: Approving Change Order No. 1 is necessary to provide preventative maintenance and extend the useful life of the existing pavement for various streets in Council District 5.

Financial Considerations: As of June 6, 2007, the 2007 Seal Coat Project (PN: RM72) has an unobligated balance of \$558,493. The approval of the fund transfer in the amount of \$400,000 (Fund 202) from the 2007 Federal Overlay Project (PN: RM73) will increase the total project budget to \$4,000,000 and the unobligated balance to \$998,493, which is sufficient to execute Change Order No. 1, provide a construction contingency, and fund inspection materials testing and other project costs.

The transfer of \$400,000 (Fund 202) from the 2007 Federal Overlay Project (PN: RM73) to the 2007 Seal Coat Project (PN: RM72) does not have a financial impact on the 2007 Federal Overlay Project (PN: RM73). The 2007 Federal Overlay (PN: RM73) has an unobligated balance of \$1,446,849, which is sufficient to support the transfer in the amount of \$400,000. The 2007 Federal Overlay Project (PN: RM73) remains fully funded.

Emerging Small Business Development (ESBD): The City's ESBE goal is 20%. To encourage small and emerging business participation, plans and specifications were sent to 18 plan rooms and construction service organizations for publication. All are directly involved with ESBE construction firms. The project was also announced on the City's Project Internet site at www.cityofsacramento.org/bids. Valley Slurry Seal's certified ESBE participation is 21.0%.

Respectfully Submitted by: 
Nicholas Theocharides
Engineering Services Manager

Approved by: 
for Jerry Way
Director of Transportation

Recommendation Approved:


RAY KERRIDGE
for City Manager

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Attachment 1

Background Information:

The Street Seal Coat Program is an annual preventive maintenance strategy applied to street surfaces about once every ten years to extend the useful life of the existing pavement. Prior to any street receiving a seal coat, the existing pavement is first prepared by sealing cracks and repairing the roadway base. Our Street Services Division performs these repairs. The Street Services Division developed the existing ten-year program to maintain the quality of City streets in a cost effective manner within the available funds.

On May 29, 2007, City awarded Contract # 2007-094 to Valley Slurry Seal Company, in an amount not to exceed \$2,859,167, to implement various preventative treatments for residential streets in various Council Districts except Council District 5. The staff report and Council Resolution awarding the contract indicated staff's intention to return to Council on June 26 for approval of this Change Order.

Change Order No.1 is needed to implement preventative pavement maintenance for approximately 105,000 square yards for various streets in Council District 5 that are shown in Exhibit A. Treatments will vary from Cape Seal to Slurry Seal as shown in Exhibit A. Construction of the whole project is anticipated to be completed in October 2007.

RESOLUTION NO.

Adopted by the Sacramento City Council

SUSPENDING COMPETITIVE BIDDING, AUTHORIZING CITY MANAGER TO EXECUTE CHANGE ORDER NO. 1 AND TRANSFERRING FUNDS FOR THE 2007 SEAL COAT PROJECT (PN: RM72)

BACKGROUND

- A. The Street Seal Coat Program is an annual preventive maintenance strategy applied to street surfaces about once every ten years to extend the useful life of the existing pavement. The City of Sacramento Department of Transportation Street Services Division performs these repairs. The Street Services Division developed the existing ten-year program to maintain the quality of City streets in a cost effective manner within the available funds.
- B. On May 29, 2007, City awarded Contract # 2007-094 to Valley Slurry Seal Company, in an amount not to exceed \$2,859,167, to implement various preventative treatments for residential streets in various Council Districts except Council District 5.
- C. Because the contract awarded to Valley Slurry Seal Company did not include residential streets in District 5 that are in need of street preventative maintenance, City staff is recommending approval of Change Order No. 1 to provide the needed maintenance for these streets.
- D. As this would increase the contract scope of work, it is necessary for the Council to suspend competitive bidding prior to approving this addition. This is in the City's best interests, because (1) the approval of Change Order No. 1 will provide for necessary preventative maintenance and extend the useful life of the existing pavement for various streets in Council District 5, and (2) this work will be performed at the unit prices specified in the existing contract, which were obtained through competitive bidding.
- E. Construction is anticipated to be completed in October 2007.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Competitive bidding is suspended, in the best interests of the City, for the addition of streets in Council District 5 to the contract with Valley Slurry Seal Company for the 2007 Seal Coat Project (PN: RM72).
- Section 2. The City Manager is authorized to execute Change Order No. 1 to the contract with Valley Slurry Seal Company for the 2007 Seal Coat Project, for an amount not to exceed \$298,767.
- Section 3. The FY06/07 Capital Improvement Program budget is amended by transferring \$400,000 (Fund 202) from the 2007 Federal Overlay Project (PN: RM73) to the 2007 Seal Coat Project (PN: RM72).

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Exhibit A: Maps of Council District 5 2007 Seal Coat Project (PN: RM72) – 2 Pages

EXHIBIT A

