



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of August 14, 2018

TO: Members of the City Council

SUBMITTED BY: Michael Roberts, Public Works Director/City Engineer

SUBJECT: Award of a Construction Contract to Telfer Pavement Technologies for the 2018 Pavement Maintenance Project

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to execute a construction contract with Telfer Pavement Technologies in the amount of \$967,624 for the 2018 Pavement Maintenance Project, authorizing an additional expenditure of up to \$96,762 for a 10% contingency on said construction contract, and appropriating \$150,000 from the Gas Tax Fund to fully fund said construction contract.

FISCAL IMPACT OF RECOMMENDATION:

The proposed budget for the 2017 Pavement Maintenance Project is as follows:

Revenues:

Gas Tax Fund (Adopted FY 18-19 Budget including SB 1)	\$700,000
Gas Tax fund (<i>New Appropriation Request</i>)	\$150,000
Measure J Fund	\$114,386
Solid Waste Funds to Mitigate Garbage Truck Impacts	<u>\$100,000</u>
Total Revenue	\$1,064,386

Expenditures:

Construction Contract	\$967,624
10% Contingency	<u>\$96,762</u>
Total Expenditures	\$1,064,386

DISCUSSION:

The 2018 Pavement Maintenance Project was advertised for bids in the West County Times on July 2 & 9, 2018 and in 4 regional plan rooms. A total of 2 bids were received at the bid opening deadline of 2 pm on Tuesday, July 25. Upon opening and reviewing the 2 bids received, Telfer Pavement Technologies submitted the low bid in the amount of \$967,624, which was determined to be responsive. Telfer's bid is above the Engineer's Estimate of \$856,500.

NO	Bidder's Name	Bid Proposal
1	Telfer Pavement Technologies	\$ 967,624
2	Gruendl Inc. DBA Ray's Electric	\$ 1,145,521

Receiving 2 bids and exceeding the Engineer's Estimate reflects the current market conditions for street maintenance projects and has been commonplace this construction season in the Bay Area. The construction market in general is booming, resulting in a shortfall of labor. Cities are making a concerted effort to spend all available SB 1 monies on road maintenance this construction season and prior to their possible repeal November. SB 1 provides Hercules approximately \$460K annually for road maintenance, which effectively doubles our annual available gas tax revenues, and those funds are being dedicated to this project, which is needed to prevent the streets from falling into severe disrepair.

Telfer has been in business for 3 years and successfully completed numerous similar-sized projects as a general contractor for cities in the Bay Area. They are considered a responsible bidder.

The 2018 Pavement Maintenance Project will slurry seal various streets in Hercules. The work includes asphalt repair, crack sealing, and striping. Construction is anticipated to take place in September and part of October. Following the award of the construction contract, staff will meet with the contractor to firm up the schedule.

The roads to be slurry sealed include segments of Coronado Street, Carson Street, Falcon Way, Bobolink Way, Brighton Street, Canterbury, Village Parkway, Goldenrod Drive, and Hercules Avenue north of San Pablo (See attached Street Maintenance Location Map). They were selected based upon recommendations from the City's pavement management program, a visual inspection, and contractor logistics with the goal of most effectively utilizing maintenance funding to preserve the City's roadway network.

ATTACHMENTS:

1. Resolution
2. Street Maintenance Location Map

Financial Impact

Description: Expenditure amount not to exceed \$758,896.

Funding Source:

Gas Tax Fund

Account 262-5432-642-05-20 (existing FY18-19 budget)	\$700,000
Account 262-5432-642-05-20 (new appropriation for FY18-19)	\$150,000

Measure J Fund

Account 263-5432-642-05-20	\$114,386
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Solid Waste Funds to Mitigate Garbage Truck Impacts

Account 291-5510-643.20-00	\$100,000
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Budget Recap:

Total Estimated cost:	\$1,064,386	New Revenue:	\$
Amount Budgeted:	\$914,386	Lost Revenue:	\$
New funding required:	\$150,000	New Personnel:	\$
Council Policy Change:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		