

STAFF REPORT

Date: January 17, 2024

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Award of Contract to Sierra Nevada Construction, Inc. (SNC) for the 2024 Permanent Patch Program in an amount not to exceed \$1,964,007.

From: Hans Meyer, Senior Civil Engineer

Department: Public Works

Summary:

The City utilizes a Permanent Patch Program to ensure consistency in workmanship and pricing for pavement patching in City streets. Staff conducted a public bid and received and opened two bids on December 14, 2023. Sierra Nevada Construction, Inc. (SNC) submitted the best bid pursuant to the requirements established in Nevada Revised Statute (NRS) Chapter 338. This is an annual contract that may be extended if both the City of Reno and the contractor agree to a one-year extension. Staff recommends Council award the contract to SNC in an amount not to exceed \$1,964,007.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?	X	
2. Is this item an agreement required based on an item previously approved by Council?		X
3. Is this item included in the current budget approved and adopted by Council?	X	
Other Considerations		
What percent of the total City budget does this item represent?	0.22%	

Alignment with Strategic Plan:

Infrastructure, Climate Change, and Environmental Sustainability – repairing infrastructure to improve transportation connectivity.

Public Safety – improving transportation safety along roadways.

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

The City has utilized the Permanent Patch Program for over 50 years to ensure consistency in workmanship and pricing. Reno Municipal Code (RMC) authorizes this in Section 12.08.040 whereby “the work of final restoration of the paving surface shall be performed by the City under the direction of the City engineer.”

Discussion:

Under the Excavation/Encroachment permit program, Contractors who perform excavation work on City streets pay an asphalt fee for funding the repair of the City roadway. This asphalt fee is used to cover all expenses related to the repair of the City roadway by the awarded 2024 Permanent Patch Program Contractor.

To ensure better work consistency and pricing, the City contracts annually with a paving contractor to perform asphalt roadway repairs related to Encroachment/Excavation Permit work.

Staff conducted a public bid for this project. Two contractors submitted bids, which were received and opened on December 14, 2023. Staff evaluated the SNC bid, and it met the criteria under NRS Chapter 338. SNC submitted the lowest responsive bid of \$1,964,007. SNC is a general contractor licensed in Nevada, and they have completed several recent paving projects for the City including the 2022 and 2023 permanent patch projects. The resulting lowest responsive bid is approximately 12% higher than the engineer’s estimate. Staff continues to support the award of the project despite this difference as it can be attributed to the increased construction costs observed over the last year. The bid opening summary is detailed below in Table 1.

Table 1 – Bid Summary

2024 Permanent Patch Program	Sierra Nevada Construction, Inc.	West Coast Paving, Inc.	Engineer’s Estimate
Total Bid	\$1,964,007	\$2,200,000	\$1,755,950

The consequences of not awarding this bid today will result in decreased consistency in pavement patching within City streets.

Financial Implications:

Funding for this contract is obtained from asphalt fees collected with the issuance of Excavation/Encroachment Permits during the 2024 calendar year in the Street Fund.

Legal Implications:

The contract was competitively bid in accordance with Chapter 338 of the NRS. NRS 338.147 provides that a local government shall award a contract for a public work for which the estimated cost exceeds \$250,000 to the contractor who submits the best bid pursuant to the requirements established in Chapter 338.147.

Recommendation:

Staff recommends Council award the contract to Sierra Nevada Construction, Inc. for the 2024 Permanent Patch Program in an amount not to exceed \$1,964,007 and authorize the Mayor to sign the contract.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

SHORT_FORM CONTRACT F100133
Presentation