

## STAFF REPORT

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**Date:** March 27, 2024

**To:** Mayor and City Council

**Through:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Award of Contract to Sierra Nevada Construction, Inc. (SNC) for the 2024 Reno Preventative Maintenance Project in an amount not to exceed \$3,471,007. (Street Fund)

**From:** Hans Meyer, Senior Civil Engineer

**Department:** Public Works

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### Summary:

Over time, City streets deteriorate and require maintenance and replacement. The City's Neighborhood Street Program guides the preventative maintenance of the City's neighborhood streets. This contract is for annual maintenance, which includes surface treatment on approximately 43 centerline miles of road primarily in the Northwest and North Valleys portions of Reno, patching on 142 streets, and overlay on approximately 1.0 centerline miles of road along with other miscellaneous associated work items. Staff received and opened three bids on February 27, 2024. Sierra Nevada Construction, Inc. (SNC) submitted the best bid pursuant to the requirements established in Nevada Revised Statute (NRS) Chapter 338 for the 2024 Reno Preventative Maintenance Project. This project is included in the City's Capital Improvement Plan (CIP) budget for fiscal year (FY) 23/24. The work is scheduled to begin this spring (April/May) and be completed by August 2024. Staff recommends awarding the bid to SNC in an amount not to exceed \$3,471,007.

The funding needed for this construction contract is included in the CIP and supports Council's goal of improving the City's infrastructure.

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?	0.4%	

**Alignment with Strategic Plan:**

Infrastructure, Climate Change, and Environmental Sustainability - maintaining infrastructure conditions to improve transportation connectivity

Public Safety – maintaining transportation safety along roadways

**Previous Council Action:**

April 15, 1997 – Council adopted the Street Program Strategic Plan (SPSP).

**Background:**

Currently, the City of Reno has approximately 755 centerline miles of paved streets in the street inventory. Approximately 32% of these streets are regional streets and are administered under the Regional Transportation Commission (RTC) Street and Highway Program. Fuel tax allocated to this program is used to fund the surface treatment and rehabilitation of these regional streets. The remaining 68% of the street inventory falls into the category of neighborhood streets that include residential, local collector, and industrial classifications. The City's Street Fund provides funding for the surface treatment and reconstruction of the neighborhood streets.

The Neighborhood Street Program, adopted by Council in 1997, manages street rehabilitation and preventative maintenance for the City's neighborhood streets. The program separates the streets into three areas: Northwest-Stead-Verdi, Northeast-Southeast, and Southwest. Every three years, inspectors perform a visual survey on all neighborhood streets and collect data about the type, severity, and quantity of pavement distresses. Technicians input this data into a computer program that calculates a pavement condition index (PCI). The index ranges from 100 for pavements in excellent condition to zero for failing pavement.

The slurry seal is a preventative maintenance measure that reduces the rate at which the pavement deteriorates and also renews the surface. Asphalt milling and overlays is a rehabilitation method that removes a portion of the deteriorated asphalt and replaces the removed asphalt pavement with new pavement at a fraction of the cost of full reconstruction. This is a relatively low-cost measure to maximize the dollars invested in the Street Program Strategic Plan (SPSP). The use of pavement rehabilitation and slurry seals has been instrumental in maintaining or even raising the average PCI. Each year a new area is selected, rotating in a clockwise rotation, e.g. 2024 Northwest-Stead-Verdi, 2025 Northeast-Southeast, and 2026 Southwest.

**Discussion:**

The 2024 Preventative Maintenance Project consists of slurry sealing of streets in the Northwest and North Valleys areas of Reno. This project's work scope is primarily slurry seal, asphalt milling, asphalt overlays, concrete sidewalk placement for connectivity, and other miscellaneous work. This work is scheduled to start in April/May 2024 and will be completed by August.

The project was advertised for a public bid beginning in February 2024. Staff received and opened three bids for the 2024 Preventative Maintenance Project on February 27, 2024. SNC submitted the best bid pursuant to the requirements established in NRS Chapter 338. SNC is a General Contractor licensed in Nevada that also originated in the Reno area, and they have completed Preventative Maintenance projects within the limits of the contract award amount. Table 1 below shows the bid results.

**Table 1 – Bid Summary**

<b>2024 Preventative Maintenance Project</b>	<b>Engineer's Estimate</b>	<b>Sierra Nevada Construction, Inc.</b>	<b>Pavement Coatings Co</b>	<b>VSS International, Inc.</b>
<b>Total Bid</b>	<b>\$2,787,377</b>	<b>\$3,141,007</b>	<b>\$3,598,908.85</b>	<b>\$3,660,120</b>

The Engineer's estimate is \$2,787,377.18 and the low bid is within 13%, which is reasonable for this type of work. The consequences of not awarding this bid today will result in further deterioration of the streets.

Two bid alternates for a total of \$1,052,173 were included for additional overlay streets, surface treatment, and concrete sidewalk placement for connectivity. Staff has evaluated the bid results and recommends awarding the contract to SNC for the 2024 Reno Preventative Maintenance Project for \$3,471,007, which includes two bid alternates totaling \$1,052,173 and a \$330,000 contingency for unforeseen items encountered during construction.

**Table 2 – Recommended Bid Award**

<b>Base Bid</b>	<b>\$2,088,834</b>
<b>Bid Alternate 1</b>	<b>\$389,700</b>
<b>Bid Alternate 2</b>	<b>\$662,473</b>
<b>Contingency</b>	<b>\$330,000</b>
<b>Award Amount</b>	<b>\$3,471,007</b>

A material testing and inspection service agreement with Lumos and Associates for this project is also on this agenda for Council consideration and approval.

### **Financial Implications:**

This project was approved in the FY 23/24 CIP, and funding will come from the Street Fund.

### **Legal Implications:**

This Contract was competitively bid in accordance with Chapter 338 of 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 of the chapter. SNC is properly licensed to perform the project and submitted the best bid pursuant to State Law.

**Recommendation:**

Staff recommends Council award the Contract for the 2024 Reno Preventative Maintenance Project to Sierra Nevada Construction, Inc. in an amount not to exceed \$3,471,007 and authorize the Mayor to sign the Contract.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

2024 Reno Preventative Maintenance Contract F100136 SR

2024 Reno Preventative Street List

2024 Reno Preventative Map