

STAFF REPORT

Date: March 22, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Award of Contract to Sierra Nevada Construction, Inc. for the 2023 Reno Preventative Maintenance Project in an amount not to exceed \$3,234,007. (Street Fund)

From: Hans Meyer, Associate Civil Engineer

Department: Public Works

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 and this contract is for annual maintenance, which includes surface treatment on approximately 31 centerline miles of road primarily in the Southwest portions of Reno, patching on 347 streets, and overlay on approximately 1.5 centerline miles of road along with other miscellaneous associated work items. Staff received and opened two bids on February 23, 2023. Sierra Nevada Construction, Inc. submitted the best bid pursuant to the requirements established in Nevada Revised Statute (NRS) Chapter 338 for the 2023 Reno Preventative Maintenance Project. This project is included in the City's Capital Improvement Plan (CIP) budget for FY 22/23. The work is scheduled to begin this spring (April/May) and completed by August 2023. Staff recommends award of the bid to SNC in the amount not to exceed \$3,234,007.

Alignment with Strategic Plan:

- Infrastructure, Climate Change, and Environmental Sustainability – maintaining infrastructure condition 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 763 centerline miles of paved streets in the street inventory. Approximately 30 percent of these streets are regional streets, and are administered

under 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 70 percent of the street inventory fall 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 which 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 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. 2023 Southwest, 2024 Northwest-Stead-Verdi, and 2025 Northeast-Southeast.

Discussion:

The 2023 Preventative Maintenance Project consists of slurry sealing of streets in the Northeast-Southeast areas of Reno. This project's work scope primarily slurry seal, asphalt milling, asphalt overlays, concrete pedestrian ramp replacement, and other miscellaneous work. This work is scheduled to start in May 2023 and will take three months to complete.

The project was advertised for a public bid beginning in January 2023. Staff received and opened two bids for the 2023 Preventative Maintenance Project on February 23, 2023. Sierra Nevada Construction, Inc. submitted the best bid pursuant to the requirements established in Nevada Revised Statute (NRS) Chapter 338. Sierra Nevada Construction, Inc. is a General Contractor licensed in Nevada which 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

2023 Preventative Maintenance Project	Engineer's Estimate	Sierra Nevada Construction, Inc.	Intermountain Slurry Seal Inc
Total Bid	\$2,650,000.	\$2,884,007.00	\$3,500,324.62

The low bid is within 9% of the engineer's estimate, which is reasonable for this type of work based and the current market fluctuation in oil pricing. The consequences of not awarding this bid today will result in further deterioration of the streets.

A bid alternate for \$531,300 was included for overlay streets of seven streets that have previously received surface treatments and do not need underground utility replacements. This recommended practice will keep streets in good condition from complete failure. Staff has evaluated the bid results and recommends award to Sierra Nevada Construction, Inc. for the 2023 Reno Preventative Maintenance Project for \$3,234,007, which includes a bid alternate of \$531,300 and a \$350,000 contingency for unforeseen items encountered during construction.

Table 2 – Recommended Bid Award

Base Bid	\$2,352,707
Bid Alternate	\$531,300
Contingency	\$350,000
Award Amount	\$3,234,007

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 22/23 Capital Improvement Plan, and funding will come from the Street Fund.

Legal Implications:

This Contract was competitively bid in accordance with Chapter 338 of the Nevada Revised Statutes (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. Sierra Nevada Construction, Inc. 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 2023 Reno Preventative Maintenance Project to Sierra Nevada Construction, Inc. in an amount not to exceed \$3,234,007 and authorize the Mayor to sign the Contract.

Proposed Motion:

I move to approve staff recommendation.

Attachments: