



STAFF REPORT

Meeting Type: Board of Directors
Title: Asphalt Concrete Paving and Concrete Work Contract (CN 2031)
From: Alex Anaya, Director of Engineering
Through: Ben Horenstein, General Manager
Meeting Date: June 4, 2024

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve a resolution authorizing award of Contract No. 2031, Asphalt Concrete Paving Restoration and Concrete Work Contract to W.K. McLellan Co. Inc.

SUMMARY: The Operations Committee reviewed this item on May 17, 2024, and referred it to a future Regular Bi-Monthly Meeting of the Board of Directors to consider contract award.

On May 21, 2024, the District received and opened one (1) bid for the Asphalt Concrete Paving Restoration and Concrete Work Contract to furnish labor, equipment, and materials for asphalt concrete paving and concrete flatwork restoration associated with water facilities repairs and maintenance performed by the Operations Division. W.K. McLellan Co. Inc., submitted the lowest responsive and responsible bid in the amount of \$13,899,201. Staff reviewed the bidding sheet schedule submitted by W.K. McLellan Co. Inc., and found the pricing to be within expectations.

Staff recommends that the Board of Directors approve a resolution awarding Contract No. 2031 to W.K. McLellan Co. Inc., in the amount of \$13,899,201, and authorizing the General Manager to execute the contract as well as any necessary amendments to Contract No. 2031 which do not exceed \$700,000. The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c) of the CEQA Guidelines as the work consists of repair or maintenance activities to existing streets, sidewalks, gutters, and similar facilities with no expansion of use.

DISCUSSION: The Asphalt Concrete Paving Restoration and Concrete Work Contract (CN 2031) is a component of the District's Paving Program, which utilizes a construction contract to perform asphalt concrete paving and concrete repairs after District crews perform necessary water system maintenance or repairs. The work will occur anywhere within the District's service area. This contract is estimated to perform more than 400 individual asphalt concrete and concrete site restorations per year. The average restoration size typically ranges from 230 square feet to 320 square feet, while the square foot area of any individual restoration may be significantly greater or less than this average.

Therefore, the contract award and contingency is a not to exceed amount, but could be less depending on the actual needs of the District.

The daily maintenance, repairs, and system improvements performed by District’s crews require excavations in asphalt and concrete. The different city jurisdictions and the county of Marin require that the site be restored to a condition that meets their restoration standards upon completion of work. This restoration work is critical and costly as local jurisdictions are increasingly emphasizing the importance of maintaining and improving the conditions of roadway infrastructure.

The base contract term will cover a 36-month period commencing July 1, 2024 and ending June 30, 2027, and contains two options for the District to extend the contract in 1-year increments for a fourth and fifth year (ending June 30, 2028, and June 30, 2029, respectively). In the event that the District chooses to exercise the option to extend the term of the Contract for an additional year, contract unit prices adjustments are limited by a factor not greater than the Engineering News-Record (ENR) Construction Cost Index (CCI) for the San Francisco Bay Area.

On May 21, 2024, the District received one (1) bid for the contract. Bid results are provided in Table 1.

Table 1
Bid Results
Contract No. 2031 Asphalt Paving Restoration and Concrete Work Contract

Bid Rank	Contractor Name	Bid Amount
1.	W.K. McLellan Co. Inc.	\$13,899,201

W.K. McLellan Co. Inc. submitted the lowest (and only) responsive and responsible bid. Staff reviewed the bidding sheet schedule submitted by W.K. McLellan Co. Inc., and found the pricing to be within expectations. Average asphalt and concrete unit pricing for the 2025 fiscal year remained flat from the prior fiscal year. Bid pricing aligns with District engineering estimates, historical asphalt unit pricing escalations, and the ENR CCI.

Staff are familiar with W.K. McLellan Co. Inc. as they are currently under contract to perform asphalt concrete paving and concrete work for the District. Their performance to date has been satisfactory.

W.K. McLellan Co. Inc. hold a Class A – General Engineering License, License No. 240701, which is current and active, and expires on 6/30/2025. As required by State Law, W.K. McLellan Co. Inc. is registered with the California Department of Industrial Relations under PWCR Number 1000017099. Following contract award, District Staff will register the Project with the California Department of Industrial Relations.

Summaries of the estimated Project costs and schedule are provided below.

Estimated Contract Amounts:

Fiscal Year 2025 Contract Award:	\$4,198,254
Fiscal Year 2026 Contract Award:	\$4,621,204
Fiscal Year 2027 Contract Award:	\$5,079,743
3-Year Total Contract Award:	\$13,899,201

5% Contingency: \$700,000
Total Estimated 3-Year budget: \$14,599,201

Contract Implementation:

Contract Award: June 4, 2024
 3-Year Base Contract Period: July 1, 2024 - June 30, 2027
 Optional 4th Year Extension: June 30, 2028
 Optional 5th Year Extension: June 30, 2029

ENVIRONMENTAL REVIEW: Staff has reviewed the Project pursuant to the California Environmental Quality Act (CEQA) and has found that the Project is Categorical Exempt pursuant to CEQA Guidelines Section 15301(c), Existing Facilities. The Project qualifies for exemption pursuant to Section 15301(c), inasmuch as the work consists of repair or maintenance activities to existing streets, sidewalks, gutters, and similar facilities with no expansion of use.

FISCAL IMPACT: Funding for this contract will come from the Operating budget and various capital and reimbursable projects for FY25, FY26 and FY27. Approximately 85% of the total costs of this contract are associated with Fund 10 (Operations), while 10% and 5% of the costs are associated with Fund 20 (Capital Projects) and Fund 40 (Reimbursable Projects), respectively.

Fund Center 10-6220-5810 (construction contracts) is currently budgeted for \$4,406,000 for the 2025 fiscal year. Staff will budget funds for this contract in future fiscal years under various operating and capital fund centers.

ATTACHMENT(S):

1. Proposed Resolution
2. Draft Notice of Exemption

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Alex Anaya Engineering Director	 Ben Horenstein General Manager