



STAFF REPORT

Meeting Type: City Council
Meeting Date: July 21, 2025
From: AJ Thorne, Public Works Director
Subject: Contract Award: 2025 Pavement Maintenance

DECISION TO BE MADE:

Whether to authorize the City Manager to sign an agreement with S-2 Contractors for the 2025 Pavement Maintenance Project.

APPLICABLE COUNCIL GOAL:

- **Goal 8.3:** Ensure adoption of asset management principles throughout the organization.
- **Goal 9.4:** Budget for replacement of assets including vehicles and other major equipment.

BACKGROUND / CONTEXT:

The City uses Pavement Maintenance System software to prioritize street maintenance projects based on a condition survey performed every five years. Using local option fuel tax revenue, the City generally completes \$500,000 to \$600,000 worth of street maintenance (asphalt overlays and surface treatments) projects every two years. The goal of the program is to keep the Pavement Condition Index (PCI) at 80 or better.

The City hires a firm to perform an inventory of Sandy's streets every five years, assigning each street section a PCI score. In 2020, Capital Asset calculated Sandy's PCI score at 80. To maintain this PCI level, we would need to budget \$1,000,000 for maintenance each biennium. According to the report, a budget of \$500,000 each biennium was projected to lower our score to 77 by the year 2025. Capital Asset will be out in Sandy doing a street inventory in the summer of 2025. They will use the data collected to put together a suggested schedule for the next five years 2026-2030.

During the 2025-2027 budget adoption process, there was interest in moving funds from contingency into further street improvements. While there was no final decision or budget adjustment made at that time, in the interest of exploring that option Staff will bring a presentation to Council in the near future to consider adding a second pavement maintenance contract in the 2025-2027 biennium.

KEY CONSIDERATIONS / ANALYSIS:

As noted above, the City generally awards a street maintenance contract (asphalt overlays and surface treatments) of \$500,000 to \$600,000 every two years. Summer 2025 is the next iteration of this program. On June 5, 2025 the City of Sandy received three bids from paving contractors seeking to

execute our 2025 projects. The work will consist of slurry seal treatments and paving selected streets as shown on the attached map. A summary of the bids received is listed below:

Bidder	Amount
S-2 Contractors Inc.	\$518,766.00
Brix Paving Northwest	\$558,409.30
Knife River Corporation	\$657,083.00

BUDGET IMPACT:

The proposed contract with S-2 Contractors totals \$518,766.00 and will be paid from the Street Utility fund from the FY25-27 biennium budget. The City Budget for this work was \$600,000 and the lowest responsive bid is within budgeted amount.

RECOMMENDATION:

Authorize the City Manager to sign an agreement with the S-2 Contractors Inc. for the 2025 Pavement Maintenance Program Construction Contract in a not to exceed the amount of \$518,766.00

SUGGESTED MOTION LANGUAGE:

"I move to accept the low bid of \$518,766.00 with S-2 Contractors Inc. for the 2025 Pavement Maintenance Program Construction Contract, and authorize the City Manager to enter into an agreement with S-2 Contractors Inc. to complete this project."

LIST OF ATTACHMENTS / EXHIBITS:

- Map of streets to receive treatment
- Bid opening summary & tabulation
- Contract with S-2 Contractors