

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Public Works *JFB*

BOARD AGENDA # \*C-2

Urgent  Routine

AGENDA DATE August 23, 2011

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Award the Construction Contract for the Stanislaus County 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion) to Telfer Oil Company Martinez, California

STAFF RECOMMENDATIONS:

1. Approve the conditional award of the contract in the amount of \$659,362 to Telfer Oil Company, of Martinez, California, for the construction of the Stanislaus County 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion).
2. Authorize the Director of Public Works to execute a contract with Telfer Oil Company for \$659,362 and to sign necessary documents.

(Continued on Page 2)

FISCAL IMPACT:

The total cost of the project is approximately \$1,009,362. This includes the requested contract amount of \$659,362 for the polymer asphalt rejuvenation emulsion and an additional \$350,000 for road preparation and rock chips. Costs associated to assure the delivery of this project will be funded with Proposition 1B Local Streets and Roads funds (\$750,000) and Public Works Road Funds (\$259,362). These funds are available in the Fiscal Year 2011-2012 Public Works Road Operations Budget. There will be no impact to the Stanislaus County General Fund.

BOARD ACTION AS FOLLOWS:

No. 2011-488

On motion of Supervisor O'Brien, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Award the Construction Contract for the Stanislaus County 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion) to Telfer Oil Company Martinez, California

3. Authorize the Director of Public Works to execute change orders in accordance with Public Contract Code, Section 20142.
4. Upon project completion, authorize the Director of Public Works to accept the completed improvements and perform all necessary closeout activities.
5. Authorize the Construction Manager to issue a Notice to Proceed contingent upon receipt of proper insurance and bonds.

**DISCUSSION:**

The Stanislaus County 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion) consists of sealing approximately 59 miles of existing County roadways with polymer asphalt rejuvenation emulsion and placement of rock chips on the emulsion. The emulsion will seal cracks in the road and prevent moisture from seeping under the pavement. The rock chips will improve the skid resistance and driving surface of the road. Department of Public Works staff will provide the labor to complete this project.

This project is a preventative maintenance step. These roads are low to medium volume roads that chip seal can protect. Chip seal treatment is anticipated to add up to 10 years to the life of the road. The following roads are included in the program:

1. Stark Road (Howard Road to Needham Road)
2. Needham Road (Stark Road to End)
3. Minnear Road (Raines Road to End)
4. Raines Road (Needham Road to Donkin Road)
5. Donkin Road (Raines Road to Rogers Road)
6. Needham Road (Raines Road to Rogers Road)
7. Frank Cox Road (Hwy 33 to Howard Road)
8. Zacharias Road (End to Hwy 33)
9. Keyes Road (Laird Road to Jennings Road)
10. Laird Road (Keyes Road to Jennings Road)
11. Quisenberry Road (Keyes Road to Grayson Road)
12. Muncy Road (Keyes Road to Grayson Road)
13. Service Road (West End to Vivian Road)
14. Hackett Road (Vivian Road to Carpenter Road)
15. Whitmore Avenue (Vivian Road to Modesto City Limits)
16. Don Pedro Road (Carpenter Road to Ustick Road)
17. Ustick Road (Keyes Road to Whitmore Avenue)
18. Mountain View Road (Grayson Road to Service Road)
19. Walnut Avenue (Taylor Road to Service Road)

Approval to Award the Construction Contract for the Stanislaus County 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion) to Telfer Oil Company Martinez, California

20. Tully Road (Keyes Road to Service Road)
21. Griffin Road (Taylor Road to Service Road)
22. Pioneer Road (Keyes Road to Service Road)
23. Washington Road (Nunes Road to Service Road)
24. Redwood Road (Faith Home Road to Tegner Road)
25. Tegner Road (Grayson Road to Service Road)
26. Grayson Road (Pioneer Road to Geer Road)
27. Tim Bell Road (Oakdale-Waterford Hwy to Claribel Road)
28. Hazeldean Road (Hwy 132 to Tim Bell Road)
29. Lone Oak Road (Oakdale- Waterford Hwy to Tim Bell Road)
30. El Pomar Avenue (Oakdale-Waterford Hwy to Tim Bell Road)
31. Pleasant Avenue (El Pomar Avenue to Lone Oak Road)
32. El Pomar Avenue (Helena Avenue to End)
33. Missouri Avenue (Pellerin Road to End)
34. Canal Drive (Missouri Avenue to Eucalyptus Avenue)
35. Eucalyptus Avenue (Both Ends, N/S of Highway 132)
36. Beard Road (El Pomar Avenue to Lone Oak Road)
37. Harding Road (Both Ends, N/S of Highway 132)

On June 14, 2011 the Board of Supervisors approved and adopted the plans and specifications for the 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion) and directed Public Works staff to publish the notice inviting bids.

On July 20, 2011, three sealed bids were received, publicly read and opened. A summary of the bids follows:

<b>CONTRACTOR</b>	<b>BID</b>
Telfer Oil Company	\$659,362.00
Valley Slurry Seal	\$667,876.00
Western Emulsions, Inc.	\$790,657.34

This project is exempt from California Environmental Quality Act (QEQA) under Title 14, Section 15301 (Existing Facilities) of the California Code of Regulations.

The engineer's estimate for the polymer asphalt rejuvenation emulsion portion of the project was \$500,000. At the time of the estimate, oil prices were lower, thus the bids were higher than the engineer's estimate. There are funds on hand to cover the higher bids. The Department of Public Works recommends that the Board of Supervisors award the contract to the lowest bidder, Telfer Oil Company of Martinez, California, in the amount of \$659,362 contingent on the receipt of appropriate insurance and bonds.

Approval to Award the Construction Contract for the Stanislaus County 2011 Chip Seal Program (Polymer Asphalt Rejuvenation Emulsion) to Telfer Oil Company Martinez, California

**POLICY ISSUES:**

The recommended actions are consistent with the Board's priorities of providing A Safe Community, A Healthy Community and A Well Planned Infrastructure System by sealing the cracks and prolonging the life of the road. Furthermore, the Board should decide if it should authorize the Director of Public Works to issue change orders in accordance with Public Contract Code, Section 20142.

**STAFFING IMPACT:**

There is no staffing impact associated with this item.

**CONTACT PERSON:**

Matt Machado, Public works Director. Phone: (209) 525-4130.

NW:la

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**AGREEMENT**

2011 SEP 14 A 10:23

THIS AGREEMENT, dated this 23rd day of August, 2011, by and between TELFER OIL COMPANY whose place of business is located at 211 Foster Street, Martinez, California 94553 (“Contractor”), and the COUNTY OF STANISLAUS (“County”), acting under and by virtue of the authority vested in the County by the laws of the State of California.

WHEREAS, County, by its Resolution No. 2011-488 adopted on the 23rd day of August, 2011 awarded to Contractor the following Contract:

**CONTRACT NUMBER 8046**

**2011 Chip Seal**

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and County agree as follows:

**Article 1. Work**

1.1 Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents.

**Article 2. Architect/Engineer and Project Manager**

2.1 Public Works Engineering Services designed the Project and furnished the Plans and Specifications. Engineering Services shall have the rights assigned to Architect/Engineer in the Contract Documents.

2.2 County has designated the Public Works Roads Manager as its Project Manager to act as County’s Representative in all matters relating to the Contract Documents.

**Article 3. Contract Time and Liquidated Damages**

3.1 Contract Time

Contractor shall commence Work on the date established in the Notice to Proceed. County reserves the right to modify or alter the Commencement Date of the Work.

Contractor shall achieve Final Completion of the entire Work and be ready for Final Payment in accordance with Contract Closeout Thirty (30) Working Days from the date when the Contract Time commences to run as provided in the Agreement.

### 3.2 Liquidated Damages

County and Contractor recognize that time is of the essence of this Agreement and that County will suffer financial loss in the form of Contract administration expenses (such as Project management and consultant expenses), if all or any part of the Work is not completed within the times specified above, plus any extensions thereof allowed in accordance with the Contract Documents. Contractor and County agree that because of the nature of the Project, it would be impractical or extremely difficult to fix the amount of actual damages incurred by County because of a delay in completion of all or any part of the Work. Accordingly, County and Contractor agree that as liquidated damages for delay Contractor shall pay County:

Two Thousand Five Hundred dollars (\$2,500.00) for each Calendar Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

Liquidated damages shall apply cumulatively and except as provided below, shall be presumed to be the damages suffered by County resulting from delay in completion of the Work.

- 3.3 Liquidated damages for delay shall only cover administrative, overhead, interest on bonds, and general loss of public use damages suffered by County as a result of delay. Liquidated damages shall not cover the cost of completion of the Work, damages resulting from Defective Work, lost revenues or costs of substitute facilities, or damages suffered by others who then seek to recover their damages from County (for example, delay claims of other contractors, subcontractors, tenants, or other third-parties), and defense costs thereof.

### **Article 4. Contract Sum**

- 4.1 County shall pay Contractor the Contract Sum for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid.

### **Article 5. Contractor's Representations**

In order to induce County to enter into this Agreement, Contractor makes the following representations and warranties:

- 5.1 Contractor has visited the Site and has examined thoroughly and understood the nature and extent of the Contract Documents, Work, Site, locality, actual conditions, as-built conditions, and all local conditions, and federal, state and local laws and regulations that in any manner may affect cost, progress, performance or furnishing of Work or which relate to any aspect of the means, methods, techniques, sequences or procedures of construction to be employed by Contractor and safety precautions and programs incident thereto.
- 5.2 Contractor has examined thoroughly and understood all reports of exploration and tests of subsurface conditions, as-built drawings, drawings, products specifications or reports, available for Bidding purposes, of physical conditions, including Underground Facilities, which have been

made available for Bidders or which may appear in the Drawings. Contractor accepts the determination set forth in these Documents of the limited extent of the information contained in such materials upon which Contractor may be entitled to rely. Contractor agrees that except for the information so identified, Contractor does not and shall not rely on any other information contained in such reports and drawings.

- 5.3 Contractor has conducted or obtained and has understood all such examinations, investigations, explorations, tests, reports and studies (in addition to or to supplement those referred to in Section 5.2 of this Document that pertain to the subsurface conditions, as-built conditions, Underground Facilities and all other physical conditions at or contiguous to the Site or otherwise that may affect the cost, progress, performance or furnishing of Work, as Contractor considers necessary for the performance or furnishing of Work at the Contract Sum, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of the Special Conditions; and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are or will be required by Contractor for such purposes.
- 5.4 Contractor has correlated its knowledge and the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents.

#### **Article 6. Contract Documents**

- 6.1 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

- Notice of Award
- Agreement
- Notice to Proceed
- Special Provisions
- Construction Performance Bond
- Construction Labor and Material Payment Bond
- Special Conditions
- Addenda
- Special Provisions
- Drawings
- Encroachment Permit [if applicable]

- 6.2 There are no Contract Documents other than those listed in this Document, Article 6.

#### **Article 7. Indemnity**

- 7.1 County and each of its officers, employees, consultants and agents including, but not limited to the Board, Architect/Engineer and each County Representative, shall not be liable or accountable in any manner for loss or damage that may happen to any part of the Work; loss or damage to materials or other things used or employed in performing the Work; injury, sickness, disease, or



death of any person; or damage to property resulting from any cause whatsoever except their sole negligence, willful misconduct or active negligence, attributable to performance or character of the Work, and Contractor releases all of the foregoing persons and entities from any and all such claims.

- 7.2 To the furthest extent permitted by law (including without limitation California Civil Code Section 2782), Contractor shall assume defense of, and indemnify and hold harmless, County and each of its officers, employees, consultants and agents, including but not limited to the Board, Architect/Engineer and each County representative, from claims, suits, actions, losses and liability of every kind, nature and description, including but not limited to claims and fines of regulatory agencies and attorney's fees and consultant's fees, directly or indirectly arising out of, connected with or resulting from performance of the Work, failure to perform the Work, or condition of the Work which is caused in whole or part by any act or omission of Contractor, Subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether it is caused in part by the negligence of County or by any person or entity required to be indemnified hereunder.
- 7.3 With respect to third-party claims against Contractor, Contractor waives any and all rights to any type of express or implied indemnity against County and each of its officers, employees, consultants and agents including, but not limited to County, the Board, Architect/Engineer and each County representative.
- 7.4 Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Contractor, its Subcontractors of any tier, or the officers or agents of any of them.
- 7.5 To the furthest extent permitted by law (including, without limitation, Civil Code Section 2782), the indemnities, releases of liability and limitations of liability, claims procedures, and limitations of remedy expressed throughout the Contract Documents shall apply even in the event of breach of contract, negligence (active or passive), fault or strict liability of the party(is) indemnified, released, or limited in liability, and shall survive the termination, rescission, breach, abandonment, or completion of the Work or the terms of the Contract Documents. If Contractor fails to perform any of these defense or indemnity obligations, County may in its discretion back charge Contractor for County's costs and damages resulting therefrom and withhold such sums from progress payments or other contract moneys which may become due.
- 7.6 The indemnities in the Contract Documents shall not apply to any indemnified party to the extent of its sole negligence or willful misconduct; nor shall they apply to County or other indemnified party to the extent of its active negligence.

## **Article 8. Miscellaneous**

- 8.1 Terms and abbreviations used in this Agreement are defined in Special Provisions, Section 1: DEFINITIONS AND TERMS and will have the meaning indicated therein.

- 8.2 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of County or acting as an employee, agent, or representative of County, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of the County is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.
- 8.3 Contractor shall not assign any portion of the Contract Documents, and may subcontract portions of the Contract Documents only in compliance with the Subcontractor Listing Law, California Public Contract Code §4100 *et seq.*
- 8.4 The Contract Sum includes all allowances (if any).
- 8.5 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time County tenders final payment to Contractor, without further acknowledgment by the parties.
- 8.6 Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at County's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §1861, Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.
- 8.7 Should any part, term or provision of this Agreement or any of the Contract Documents, or any document required herein or therein to be executed or delivered, be declared invalid, void or unenforceable, all remaining parts, terms and provisions shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby. If the provisions of any law causing such invalidity, illegality or unenforceability may be waived, they are hereby waived to the end that this Agreement and the Contract Documents may be deemed valid and binding agreements, enforceable in accordance with their terms to the greatest extent permitted by applicable law. In the event any provision not otherwise included in the Contract Documents is required to be included by any applicable law, that provision is deemed included herein by this reference (or, if such provision is required to be included in any particular portion of the Contract Documents, that provision is deemed included in that portion).
- 8.8 This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Stanislaus, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder

shall be in Stanislaus County Superior Court. Contractor accepts the Claims Procedure in Special Conditions, Article SC-16, WORK DISPUTES, as a claims procedure by agreement under the California Government Code, Title 1, Division 3.6, Part 3, Chapter 5.

8-9 Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

**If to County:**

Stanislaus County Public Works  
Attn: Linda Allsop, Contracts Admin.  
1716 Morgan Road  
Modesto, CA 95358  
Phone: (209) 525-4157  
Fax: (209) 541-2506

**If to Contractor:**


Telfer Oil Company  
Attn: Daniel Frankel, Vice President - Operations  
211 Foster Street  
Martinez, CA 94553  
Phone: (925) 228-1515  
Fax: (925) 229-3955

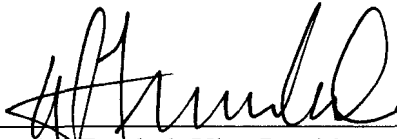
**(SIGNATURES NEXT PAGE)**

IN WITNESS WHEREOF the parties have executed this Agreement in quadruplicate the day and year first above written.

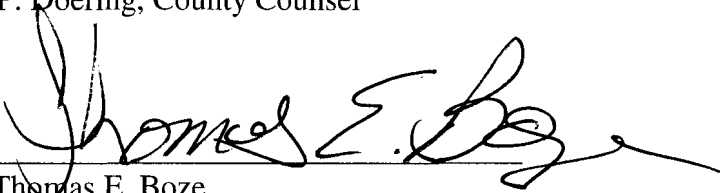
**COUNTY OF STANISLAUS**

**TELFER OIL COMPANY**

By:   
Matt Machado, Director  
Public Works Department

By:   
Daniel Frankel, Vice President  
Operations

**APPROVED AS TO FORM:**  
John P. Doering, County Counsel

By:   
Thomas E. Boze  
Deputy County Counsel

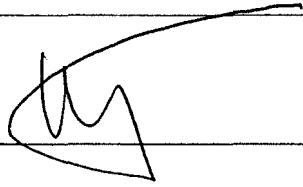
**END OF AGREEMENT**

**CONTRACTOR'S BID SHEET**

**2011 Chip Seal**

Item No.	Item	Estimated Quantity	Unit of Measure	Unit Price (In Figures)	Item Total (In Figures)
1	Asphalt Rejuvenating Emulsion	946	Tons	\$ 697 <sup>00</sup>	659,362 <sup>00</sup>
TOTAL BID					

(SIGNED)



Date: July 19, 2011

Note: All line items must have an entry placed in its appropriate box.