



Agenda Report

25-709

Agenda Date: 7/15/2025

REPORT TO COUNCIL

SUBJECT

Action on Award of Agreement for Construction Services with C2R Engineering, Inc. for As-Needed Asphalt Repair Services

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City's Water & Sewer Utilities Department (Utilities Department) operates and maintains a potable water distribution system consisting of approximately 335 miles of distribution pipelines, 21 active groundwater wells, and seven storage tanks with a combined capacity of 28.8 million gallons. To maintain reliable service levels and meet customer expectations, the Utilities Department implements an ongoing infrastructure replacement program to replace aging components. This work requires excavation of roadways to access and replace underground water mains.

After installing new mains and transferring service connections, Utilities Department crews apply temporary pavement to restore the roadway surface. This temporary paving remains in place until permanent asphalt restoration is completed by the Public Works Department (Public Works).

The Utilities Department also performs emergency repairs on aging water mains. These unplanned repairs may occur in areas with pavement preservation restrictions. In such cases, permanent pavement restoration must meet specific requirements from Public Works and may involve slurry seal, rubberized asphalt, or other specialized treatments beyond standard asphalt.

Given the volume of main replacement projects and the complexity of associated pavement work, the Utilities Department supplements Public Works resources by contracting with external paving contractors. These contractors help ensure that roadway surfaces are restored promptly and to high standards, minimizing disruption to vehicular and pedestrian traffic and reducing the overall impact to the public.

DISCUSSION

Pursuant to Section 2.105.140(c) of City Code, a formal Request for Proposals (RFP) was conducted for As-Needed Asphalt Repair Services to support the Utilities Department's infrastructure replacement program.

The RFP was published on the City's e-procurement system. One proposal was received from C2R Engineering, Inc. The proposal was evaluated based on several criteria, including firm experience, qualifications, technical capability, and responsiveness to the RFP requirements. Following the evaluation, C2R Engineering was determined to meet the qualifications and service needs outlined in

the RFP.

The proposed agreement with C2R Engineering includes a comprehensive scope of services tailored to the operational needs of the Utilities Department and the specialized nature of the required work. Services covered under the agreement include hot mix asphalt replacement and restoration, slurry seal application, Portland cement concrete installation, decorative pavement installation, geosynthetic pavement layer installation, utility frame and cover adjustments, monument preservation, and the installation of thermoplastic striping and pavement markers.

In addition to asphalt restoration, the agreement includes auxiliary work that may be required to fully restore the public right-of-way following water main replacement projects or repairs. This may include repairs to concrete sidewalks, curbs, and gutters, as well as replacement of thermoplastic striping and traffic signal conduits.

Staff recommends entering into an agreement with C2R Engineering for a five-year term beginning on or around July 1, 2025, through June 30, 2030. The agreement does not include fixed unit rates, as pricing can vary significantly depending on the materials required and the specific conditions of each project site. The original intent of the RFP was to award contracts to multiple qualified firms, thereby enabling a secondary bid process for individual work orders. This approach is designed to promote competition and ensure the City receives fair and competitive pricing for each task. To maintain fiscal responsibility, staff will continue to evaluate proposed costs by comparing them against historical pricing and industry benchmarks. Approval of this agreement at this time is critical due to an existing site where temporary pavement remains in place and permanent asphalt restoration is urgently needed to maintain roadway safety and functionality.

To better understand the limited response to the initial RFP, staff contacted several potential vendors who ultimately did not submit proposals. The most common reasons cited were time constraints and inadvertently overlooking the solicitation. In response, staff has reissued the RFP to encourage broader participation and intends to enter into additional master agreements with other qualified firms. The new RFP was released on June 4, 2025, with a proposal due date of June 30, 2025. Once multiple agreements are established, task-specific pricing will be determined through a secondary bid process to ensure competitiveness and cost-effectiveness.

Staff is therefore requesting authority to negotiate and execute additional agreements with firms selected through the reissued RFP process. These agreements would be subject to aggregate annual compensation limits of \$2,000,000 for asphalt repair work related to planned water main replacement projects and \$400,000 for asphalt repair work associated with emergency repairs. Each agreement would align with the contract term established for the agreement with C2R Engineering, through June 30, 2030.

ENVIRONMENTAL REVIEW

The action being considered is subject to a statutory exemption from the California Environmental Quality Act ("CEQA") pursuant CEQA Guidelines Section 15301 "Existing Facilities", as the activity consists of the repair, maintenance, or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing.

FISCAL IMPACT

The proposed agreement is for a not-to-exceed amount of \$10,400,000.

- Annual funding of \$2,000,000 is budgeted in the Distribution System Replacement and Restoration Project in the Water Utility Capital Fund.
- The additional funding of \$400,000 would be spread out over the length of the five-year agreement. The annual total is estimated to be approximately \$80,000 and will be funded by annual operating appropriations in the Water Utility Fund.

COORDINATION

This report has been coordinated with the Finance Department, the Department of Public Works, and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office beginning the Thursday evening before the Tuesday meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations; and
2. Authorize the City Manager or designee to execute an agreement with C2R Engineering, Inc. for as-needed asphalt repair services for a term of five years, starting on or around July 1, 2025, and ending on or around June 30, 2030, with a maximum compensation not-to-exceed \$10,400,000, subject to the appropriation of funds and review and approval as to form by the City Attorney;
3. Authorize the City Manager or designee to execute additional agreements with firms selected through a subsequent RFP process for as-needed asphalt repair services, on the same terms and conditions and subject to the maximum compensation as the agreement with C2R Engineering, Inc., the appropriation of funds and review and approval as to form by the City Attorney; and
4. Authorize the City Manager or designee to take any actions necessary to implement and administer the agreements, including negotiating and executing future amendments to (a) add or delete services associated with the scope of work and (b) make de minimis changes, subject to subject to the appropriation of funds and review and approval as to form by the City Attorney.

Reviewed by: John Ramirez, Director, Water & Sewer Utilities

Approved by: Jovan Grogan, City Manager

ATTACHMENTS

1. Agreement for Services Between the City of Santa Clara and C2R Engineering, Inc.