



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** John Ristow

**SUBJECT:** 2019 MAJOR STREETS  
RESURFACING PROJECT #2

**DATE:** April 9, 2019

Approved

*D. D. SyL*

Date

4/10/19

## RECOMMENDATION

- (a) Approve award of a construction contract for the 2019 Major Streets Resurfacing Project #2, to the low bidder, MCK Services Inc. in the amount of \$8,782,160.
- (b) Approve a five percent contingency in the amount of \$439,108.

## OUTCOME

Approval of this construction contract will resurface approximately 16 miles of streets on the Major Street Network. Approval of a 5% contingency will provide funding for unanticipated work necessary for the proper construction and completion of the project.

## BACKGROUND

The Department of Transportation (DOT) annually schedules streets to be resurfaced to improve their structural integrity, ride quality, and appearance, and extend the useful life of the streets in order to defer more costly reconstruction. Resurfacing of streets generally includes the repair or replacement of damaged pavement, application of a new layer of asphalt, installation of new roadway striping and markings, and installation or retrofit of curb ramps where needed to comply with the Americans with Disabilities Act.

In 2019, DOT is planning to resurface approximately 30 miles of major streets throughout the City. To decrease the overall timeframe for completing the pavement work, the resurfacing work was divided into two separate projects of about equal mileage. The 2019 Major Streets Resurfacing Project #2 will resurface approximately 16 miles of major streets. Another project providing for the resurfacing work on about 14 miles was brought forward to City Council for award on April 9, 2019.

Information provided by the City's pavement management database is used to identify candidate streets for preventive maintenance and sealing. The final list of streets to be resurfaced is established using the following criteria:

- Funding availability and funding use restrictions
- Streets on the Major Street Network
- Streets not affected by current or future street related projects
- Maintenance history and prescribed treatment schedules
- Streets associated with planned safety, bikeway or other "complete streets" projects
- Community and City Council office feedback regarding roadway conditions and priority street segments
- Relative location of street segments to create multiple, continuous segments, consistency within neighborhoods, and project efficiency
- Multi-year geographic equity across the City and street network

The Attachment contains the list of streets to be resurfaced as part of this contract. The list may change if unforeseen circumstances arise or new information regarding other street-related projects becomes available. More information regarding 2019 Pavement Maintenance Program activities can be found in the informational memos distributed to City Council in December 2018 and March 2019.

**ANALYSIS**

Bids were opened on March 14, 2019 with the following results:

CONTRACTOR	CITY	BID AMOUNT	VARIANCE	% UNDER/OVER ENGINEER'S ESTIMATE
<i>ENGINEER'S ESTIMATE</i>	--	<i>\$8,567,128.05</i>	--	--
MCK Services, Inc	Concord, CA	\$8,782,159.55	\$215,031.50	2.51%
DeSilva Gates Construction, LP	Dublin, CA	\$8,897,836.00	\$330,707.95	3.86%
Granite Rock Company	San Jose, CA	\$9,057,985.40	\$490,857.35	5.73%
Granite Construction Company	Santa Clara, CA	\$9,131,952.35	\$564,824.30	6.59%

CONTRACTOR	CITY	BID AMOUNT	VARIANCE	% UNDER/OVER ENGINEER'S ESTIMATE
Ghilotti Construction Company	Santa Rosa, CA	\$9,481,333.90	\$914,205.85	10.67%
O'Grady Paving, Inc.	Mountain View, CA	\$10,078,341.65	\$1,511,213.60	17.64%

The low bid submitted by MCK Services, Inc is \$8,782,159.55 and is 2.51% above the Engineer's Estimate. The Engineer's Estimate for this project is \$8,567,128.05. The estimate is based on bids received from similar past projects and current estimated construction prices. The bids are higher than the engineer's estimate due to a larger than anticipated increase in asphalt prices, but the bid is considered acceptable for the work involved in the project. Staff recommends that the construction contract be awarded to MCK Services, Inc.

Council Policy provides for a standard contingency of five percent on projects involving street resurfacing and sealing. The funding budgeted for this project is sufficient to provide for a five percent contingency of \$439,108.

Construction is scheduled to begin in May 2019 and should be completed by the end of the 2019 construction season.

**EVALUATION AND FOLLOW-UP**

DOT provides an ongoing evaluation of the City's pavement conditions and provides periodic reports on this topic to the Transportation and Environment Committee. In addition to this resurfacing contract, a contract that will apply a seal coat to approximately 58 miles of Major Streets will also be brought forward to Council for award in May. Projects to provide pavement maintenance on approximately 196 miles on the Local and Neighborhood Street network are planned for award in May 2019.

**PUBLIC OUTREACH**

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the San Jose Post Record. Bid packages for this construction project were made available to download for contractor organizations and builders' exchange on the City's Internet Bid Line. In addition, when the project commences, the contractor, as stated in the specifications, will provide advance notification regarding working hours, duration of project, and any appropriate schedule and lane closures to affected businesses and residents. To inform traveling motorists of upcoming construction activities and potential traffic delays, changeable message signs may be

used on selected streets stating the scheduled date and time for work to occur on the street. This memorandum will be posted on the City's Council Agenda website for the April 23, 2019 Council Meeting.

### **COORDINATION**

This project, including specifications and bid documents, has been coordinated with the Department of Public Works, and this memo has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **FISCAL/POLICY ALIGNMENT**

This project supports the Transportation and Aviation Services City Service Area goal to *Preserve and Improve Transportation Assets and Facilities*.

### **COST SUMMARY/IMPLICATIONS**

1. COST OF PROJECT:

Project Delivery	\$878,215.00
Construction Contract	\$8,782,159.55
Contingency	<u>\$439,108.00</u>
<b>TOTAL PROJECT COSTS:</b>	<b>\$10,099,482.55</b>
  
2. SOURCE OF FUNDING:
  - 001 – Pavement Maintenance Program
  
  - 465 – Bicycle & Pedestrian Facilities
  
  - 465 – Pavement Maintenance –  
SB1 Road Repair & Accountability Act 2017
  
  - 465 – Pavement Maintenance –  
VTA Measure B 2016
  
3. FISCAL IMPACT: This project will have no net operating and maintenance costs to the General Fund.

**BUDGET REFERENCE**

The table below identifies the fund and appropriation proposed to fund the recommended contract award, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract	2018-2019 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
<b>Source of New Funding</b>						
001	6651	Pavement Maintenance Program	\$1,775,000	\$1,770,000	V-687	10/16/2018, 30172
465	4292	Bicycle & Pedestrian Facilities	\$2,534,000	\$150,000	V-818	02/12/2019, 30223
465	406C	Pavement Maintenance – SB1 Road Repair & Accountability Act 2017	\$18,122,000	\$618,333	V-687	02/12/19, 30223
465	403Q	Pavement Maintenance – VTA Measure B 2016	\$42,750,000	\$6,243,826.55	V-687	06/19/2018, 30124
<b>Total Current Funding Available</b>			<b>\$65,181,000</b>	<b>\$8,782,159.55</b>		

**CEQA**

Categorically Exempt, File No. PP18-029, CEQA Guidelines Section 15301(c), Existing Facilities

/s/

JOHN RISTOW  
 Acting Director of Transportation

For questions please contact Frank Farshidi, DOT Division Manager, at (408) 794-1945.

Attachment

## List of Major Streets for 2019 Resurfacing Project #2

STREET NAME	FROM	TO	COUNCIL DISTRICT
DE ANZA BLVD	BOLLINGER RD	HWY 85 NS	1
BESWICK DR	BLOSSOM HILL RD	COTTLE RD	2
HELLYER AV	DOVE RD	SILICON VALLEY BL	2
PARK AV	LAUREL GROVE	MONTGOMERY	3
CAPITOL AV	GREENGATE DR	HOSTETTER RD	4
STORY RD	FLEMING AV	CLAYTON RD	5
OCALA AV	WHITE RD S	130'W/RIDGEMONT DR	5, 8
SOUTHWEST EX	N/S STOKES ST	BASCOM AV S	6
BARNARD AV	POMONA AVE	STONE	7
CANOAS GARDEN AV	CURTNER AV	EVAN LN	7
LITTLE ORCHARD	SAN JOSE	BARNARD	7
FLINT AV	GULUZZO DR	NORWOOD	8
RIGOLETTO DR	QUIMBY RD	KING RD S	8
KOCH LN	PLUMMER AVE	BOOKSIN AV	9
ALLEN AV	SANTA TERESA BL	STEINBECK DR	10