



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jim Ortbal

**SUBJECT: GENERAL ENGINEERING  
CONTRACT FOR  
CONSTRUCTION PROJECTS**

**DATE:** January 3, 2018

Approved

Date

1-11-18

## RECOMMENDATION

Report on bids and award of an on-call contract for the “8450 – General Engineering Construction for Transportation Projects”, to the low bidder, Grade Tech, Inc. in the total amount not to exceed \$980,000 or in effect for four years, subject to appropriation of funds, with no individual task order for the construction of a Public Works project to exceed \$100,000.

## OUTCOME

The proposed contract would implement miscellaneous small-scale projects addressing the maintenance and repair of street infrastructure and the installation of various traffic and pedestrian safety enhancements.

## BACKGROUND

On an ongoing basis, the Department of Transportation (DOT) retains service contracts to supplement existing in-house maintenance staff resources as needed. Typical projects include repairs and modifications to street pavement, bridge structures, sidewalks, curb ramps, roadway striping, and other street infrastructure. The proposed contract would continue to provide additional capacity for DOT to perform these projects during peak workload periods or in emergency situations.

DOT regularly implements a variety of small projects with in-house staff to enhance traffic and pedestrian safety, including the installation of enhanced crosswalks, flashing beacons, speed radar warning devices, median islands, bulb-outs, road humps, and other traffic calming elements. The proposed contract could further supplement DOT's in-house maintenance staff and enable DOT to complete projects that have already been identified more quickly. It would also allow DOT to provide more reliable scheduling and completion of future traffic and pedestrian safety enhancement projects.

**ANALYSIS**

The proposed contract is an on-call contract. The on-call contract itself sets forth only the general scope of work for the contractor, general terms and conditions, and a maximum amount of compensation the contractor can be paid under the contract. The actual scope of work and compensation will be set forth in individual task orders issued by DOT in accordance with the on-call contract. Base compensation in a task order is either a negotiated lump sum or based on actual time and materials. The product of the base compensation multiplied by the percentage markup is added together to pay for the contractor's overhead and profit.

The City awards on-call construction contracts in consideration of the lowest bid (percentage markup), exclusive of the cost of any specific scope of work. Charter Section 1217 requires that an actual scope of work be competitively bid for all public works projects exceeding \$100,000. Accordingly, no individual task order for construction of a public works project will exceed \$100,000. There is no similar restriction for a task order involving maintenance work.

Bids were opened on November 9, 2017, with the following results:

<b>BIDDER'S NAME</b>	<b>CITY</b>	<b>OVERHEAD &amp; PROFIT % MARKUP</b>
<b>GradeTech, Inc.</b>	<b>Castro Valley</b>	<b>0.90%</b>
Redgwick Construction Co.	Newark	1.12%
Bridgeway Civil Constructor, Inc.	Vacaville	13.95%

The bid documents have been evaluated and found to be in order. The low bid submitted by Grade Tech Inc. is for 0.90% overhead and profit markup. The bid is considered acceptable for the work involved in the project. Staff recommends that the contract be awarded to Grade Tech, Inc.

The General Engineering contract will be available for use beginning in February 2018 and would be in effect for four (4) years or until total billings equal \$980,000, whichever comes first.

**EVALUATION AND FOLLOW-UP**

No additional follow up action with the Council is expected at this time.

**PUBLIC OUTREACH**

The project was listed on BidSync ([www.bidsync.com](http://www.bidsync.com)) and advertised in the San José Post Record. The complete bid package and project information for Department of Transportation

construction projects are available on BidSync for interested contractors, contractor organizations and and builders' exchanges. In addition, when the projects commence, 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, if applicable. This memorandum will be posted on the City's Council Agenda website for the January 23, 2017 Council Meeting.

**COORDINATION**

This project, including specifications and bid documents, has been coordinated with the Department of Public Works. This memorandum has also 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*, and to *Provide Safe and Secure Transportation Systems*.

**COST SUMMARY/IMPLICATIONS**

1. COST OF PROJECT:

Project Delivery	\$40,000
Construction Contract	<u>\$980,000</u>
<b>TOTAL PROJECT COSTS:</b>	<b>\$1,020,000</b>

2. SOURCE OF FUNDING: Construction Excise Tax Fund (465)

3. FISCAL IMPACT: The cumulative cost of individual task orders under this contract may not exceed \$980,000 over the specified four-year term. This project will have no net operating and maintenance costs to the General Fund. Various capital appropriations will support costs incurred during 2017-2018, as determined by individual task orders. Future funding is subject to appropriation.

HONORABLE MAYOR AND CITY COUNCIL

January 3, 2018

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**CEQA**

Exempt, File No. PP14-069, CEQA Guidelines Section 15301, Existing Facilities.

/s/

JIM ORTBAL

Director of Transportation

For questions please contact Frank Farshidi, Senior Engineer, at (408) 794-1945.