



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Loesch

SUBJECT: See Below

DATE: April 27, 2026

Approved

Date:

5/6/26

COUNCIL DISTRICT: Citywide

SUBJECT: Report on Bids and Award of Contract for the 10625 – 2026 Major Streets Sealing Project

RECOMMENDATION

- (a) Report on bids and award of contract for the construction of 10625 – 2026 Major Streets Sealing Project to the lowest responsive, responsible bidder, Pavement Coatings Co., in the amount of \$4,136,795.65; and
- (b) Approve a 10% contingency in the amount of \$413,680.

SUMMARY AND OUTCOME

Award of the contract to Pavement Coatings Co. enables the construction of the 10625 – 2026 Major Streets Sealing Project (Project) which will seal approximately 23 miles of streets along the Major Street Network. Approval of the 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

BACKGROUND

The Department of Transportation (DOT) will maintain approximately 201 miles of roadway during the 2026 construction season. Of that total, this Project will seal 23 miles of streets to extend pavement life and improve overall roadway conditions. The Major Street Network consists of 944 miles of San José's most heavily traveled streets, which collectively carry over 85% of the traffic in the city.

Pavement maintenance is typically performed in two separate phases: preparation and a final surface application. The preparation phase includes Americans with Disabilities Act-compliant curb ramp installations and retrofits. Preparation also includes the removal and replacement of any structurally failed areas of pavement before starting the pavement surface treatment. The final surface treatment, also known as sealing application, is applied to the entire street after preparation phases are complete. Sealing is the application of a thin layer of asphalt emulsion blended with rock, approximately 3/8 of an inch in depth to the pavement.

To decrease the overall timeframe for completing the preparation work, DOT is managing multiple projects for the concrete and curb ramp improvements, most of which are currently in the construction phase. This Project will provide sealing of the pavement and is the final phase of the pavement treatment.

DOT utilized information provided by the City's pavement management system to generate a candidate list of streets for pavement maintenance. The candidate list was then thoroughly analyzed by staff using the following criteria to create the final list of streets:

- 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; and
- Multi-year geographic spread across the city and street network.

As part of DOT's equity analysis in the development of the 2026 Major Streets Paving Program, staff cross-referenced the selected streets relative to census tracts designated by the Metropolitan Transportation Commission as Equity Priority Communities. Based on this analysis, DOT will be maintaining 13 miles designated as Equity Priority Communities in the Project, roughly 28% of the 47 miles of Major Streets selected for maintenance during the 2026 construction season. Between 2023-2025, the Major Streets Paving program has maintained 53 miles designated as Equity Priority Communities, roughly 28% of the 192 miles of Major Streets selected for maintenance.

The Attachment to this memorandum contains the list of streets to be maintained with a sealing application via this Project. The list may change if unforeseen circumstances arise or new information regarding other projects becomes available.

Construction is scheduled to begin July 2026 with substantial completion in October 2026.

ANALYSIS

Bids were opened on March 26, 2026, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Pavement Coatings Co. (Sacramento)	\$4,136,795.65	(\$230,703.56)	(5)
Engineer's Estimate	\$4,370,000.00	--	--
Graham Contractors, Inc. (San José)	\$4,432,097.26	\$64,598.05	1

The low bid submitted by Pavement Coatings Co. is 5% below the Engineer's Estimate. Staff considers this reasonable for the work involved.

Pavement Coatings Co. has previously completed paving projects for the City of San José including: 10363 – 2024 Local Streets Sealing Project with a beneficial use of August 2024; and 8759 – 2018 - Street Sealing Project with a beneficial use of December 2018.

Contingency

San José Municipal Code Section 7.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of building or buildings. The standard 10% contingency is appropriate for this Project.

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on March 27, 2026, and again on April 8, 2026. No wage theft issues were identified.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this project because the Engineer's Estimate is more than \$730,000.

Local and Small Business Outreach

The recommended contractor is a local business enterprise but not a small business enterprise. No local or small business enterprises were listed as subcontractors on the Project.

EVALUATION AND FOLLOW-UP

DOT provides an ongoing evaluation of San José’s pavement conditions and provides periodic reports on this topic to the Transportation and Environment Committee. In addition to the Project discussed in this memorandum, one additional major streets pavement maintenance project and three additional local and neighborhood street pavement maintenance projects are scheduled for City Council action this spring.

FISCAL IMPACTS

This Project supports the Transportation and Aviation Services City Service Area goal to Preserve and Improve Transportation Assets and Facilities. By performing pavement maintenance through this project, the extension of the useful life of the Project streets will defer more costly reconstruction. The source of funding for this project is through the Construction Excise Tax Fund - State Gas Tax Pavement Maintenance Fund (Fund 480). This project will not result in any net operating and maintenance cost increases to the General Fund.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$363,217.00
Construction	4,136,795.65
Contingency	413,680.00
TOTAL PROJECT COSTS	\$4,913,692.65
Costs expended to date	\$56,300.00
TOTAL REMAINING PROJECT COSTS	\$4,857,392.65

*Project delivery includes \$100,000 for design services and bidding and \$263,217 for construction management and inspection services.

2. COST ELEMENTS OF CONTRACT AS RECOMMENDED AS PART OF THE
MEMORANDUM:

New Paving	\$1,859,981.00
Pavement Striping	1,982,264.65
Loop Detectors	23,050.00
Other Construction Costs	271,500.00
TOTAL CONTRACT AMOUNT	\$4,136,795.65

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2027 Adopted Biennial Capital Budget Page	Last Budget Action (Date, Ord. No.)
480	406C	Pavement Maintenance – SB1 Road Repair & Accountability Act 2017	\$33,770,314	\$4,136,795.65	1006	10/21/2025 31252

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, City Manager’s Budget Office and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the May 19, 2026 City Council meeting.

When construction commences the contractor will provide advance notification regarding working hours, Project duration, and any appropriate schedule and lane closures to affected businesses and residents, as stated in the specifications. 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.

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BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Categorically Exempt, File No. ER24-313, CEQA Guidelines Section 15301(c), Existing Facilities.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
JOHN RISTOW
Director, Department of Transportation

/s/
MATT LOESCH
Director of Public Works

For questions, please contact Jennifer Seguin, Deputy Director, Department of Transportation, at jennifer.seguin@sanjoseca.gov or (408) 794-6453.

ATTACHMENT:

List of Streets

ATTACHMENT - LIST OF STREETS

List of Streets

Street Name	Street From	Street To	Council District
1ST ST N	TASMAN DR	HOLGER WY	4
ABORN RD	RUBY AV	KING RD	8
ALMA AV	MONTEREY RD	SENER RD	3, 7
ALMADEN RD	ALMADEN EXPY	135' S MINORU DR	10
ALUM ROCK AV	HWY 101	CAPITOL AV	5
BRYAN AV	ALMADEN EX	CHERRY AV	9
CROPLEY AV	MORRILL AV	N CAPITOL AV	4
FORD RD	MONTEREY RD	SILVER LEAF RD	2
JACKSON AV S	STORY RD	ALUM ROCK AV	5
OAKLAND RD	MONTAGUE EX	ATTEBERRY LN	4
RINCON AV	CITY LIMIT AT 140' E/O VIOLET WY	SAN TOMAS AQUINO RD	1
SANTA TERESA BL	BLOSSOM HILL RD	CA 87	2, 9, 10
STEVENS CREEK BL	BASCOM AV	I-880 OVERPASS	6
YOUNGER AV W WB	N 1ST ST	SAN PEDRO ST	3