



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow  
Matt Loesch

**SUBJECT:** See Below

**DATE:** February 24, 2025

Approved

Date:

3/6/25

**COUNCIL DISTRICT:** Citywide

**SUBJECT: Report on Bids and Award of Contract for the 10507 – 2025 Major Streets Remove and Replace Pavement Project**

## **RECOMMENDATION**

- a) Report on bids and award a contract for the construction of 10507 – 2025 Major Streets Remove and Replace Pavement Project, to the lowest responsive, responsible bidder, G. Bortolotto & Company, Inc., in the amount of \$3,094,818.
- b) Approve a 10% contingency in the amount of \$309,482.

## **SUMMARY AND OUTCOME**

Award of the contract to G. Bortolotto & Company, Inc. enables the construction of the 10507 – 2025 Major Streets Remove and Replace Pavement Project (Project) which will remove and replace failed pavement of approximately 49 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 228 miles of roadway during the 2025 construction season, including 53 miles on the Major Street Network and 175 miles on the Local and Neighborhood Streets Network. As part of this effort, the Major Streets Network plans on sealing about 39 miles of streets to extend pavement life and improve overall roadway conditions, and to resurface about 14 miles of streets in poor to failed condition. The Major Street Network consists of 944 miles of the City'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: 1) preparation and 2) final surface application. The preparation phase includes American with Disabilities Act (ADA)-compliant curb ramp installations and retrofits prior to the commencement of the pavement treatment. Streets to be sealed will also require the removal and replacement of any structurally failed areas of pavement. The final surface treatment, also known as micro-surfacing application, is applied to the entire street after preparation phases are complete. Micro-surfacing 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 reduce the overall timeframe for completing the preparation work, DOT is managing multiple projects for the concrete and ADA curb ramp improvements, most of which are currently in the construction phase. The removal and replacement of failed asphalt pavement areas, as included in the scope of this Project, where required, is the final preparation project prior to the final surface application.

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

As part of DOT's equity analysis in the development of the 2025 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 maintain 11 miles designated as Equity Priority Communities in the Project, roughly 21% of the 53 miles of Major Streets selected for maintenance.

The **Attachment** to this memorandum contains the list of streets to be maintained with a combination of the removal and replacement of failed areas of asphalt pavement via this Project and followed by a micro-surfacing application via an upcoming surface-sealing project. The list may change if unforeseen circumstances arise or new information regarding other projects becomes available.

Construction is scheduled to begin May 2025 with a substantial completion in August 2025.

## **ANALYSIS**

Bids were opened on January 16, 2025 with the following results:

<b><u>Contractor</u></b>	<b><u>Bid Amount</u></b>	<b><u>Variance Amount</u></b>	<b><u>Over/(Under) Percent</u></b>
G. Bortolotto & Company, Inc. (San Carlos)	\$3,094,818	(\$406,250)	(12%)
Granite Rock Company (San Jose)	\$3,433,716	(\$67,352)	(2%)
Radius Earthwork Inc. (Campbell)	\$3,452,723	(\$48,345)	(1%)
<b>Engineer's Estimate</b>	<b>\$3,501,068</b>	--	--
O'Grady Paving, Inc. (Mountain View)	\$3,512,181	\$11,113	0%
DeSilva Gates Construction (Dublin)	\$3,652,256	\$151,188	4%
MCK Services, Inc. (Concord)	\$3,669,271	\$168,203	5%
JV Lucas Paving, Inc. (Martinez) <i>(non-responsive)</i>	\$3,871,116	\$370,048	11%
Ghilotti Construction Company, Inc. (Santa Rosa)	\$3,987,131	\$486,063	14%
Granite Construction Company (Santa Clara)	\$5,163,879	\$1,662,811	48%

The bid from JV Lucas Paving, Inc. was deemed non-responsive for failing to meet the City's experience requirements.

The low bid submitted by G. Bortolotto & Company, Inc. is 12% below the Engineer's Estimate. The bids are lower than the Engineer's Estimate, likely due to a decrease in material prices compared to the expected price. Staff expected prices to increase for the remove and replace pavement items, but these prices did not change as much as anticipated when compared to last year. The 3-inch remove and replace pavement item was 15% lower than the Engineer's Estimate. All the remove and replace pavement items were around 15% to 20% below the Engineer's Estimate. This also goes the same for water-based paint striping items which were between 5% and 10% below the engineer's estimate. However, bid items that use less material and more labor, such as

sewer manhole raising and lowering, loop detector installation, and installation of monument boxes, continued to rise. This likely is because of the increase in labor needed for these items compared to the amount of materials used. For example, the raise sewer manhole to grade item was 126% higher than the Engineer's Estimate. G. Bortolotto & Company, Inc.'s bid is considered acceptable for the work involved in the project.

G. Bortolotto & Company, Inc. has previously completed paving projects for the City of San José including, 10246 – 2023 Major Streets Remove and Replace Project accepted with beneficial use of May 2024 and 9073 – 2019 Major Streets Remove and Replace Project accepted in October 2019.

### *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 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 January 16, 2025 and again on January 31, 2025. 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 over \$1.21 million.

### *Local and Small Business Outreach*

The recommended contractor is not a local or 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 the City's pavement conditions and provides periodic reports on this topic to the Transportation and Environmental Committee. In addition to the Project discussed in this memorandum, two additional major streets pavement maintenance projects and five additional local and neighborhood street pavement maintenance projects are scheduled for City Council action this spring.

**COST SUMMARY/IMPLICATIONS**

This Project supports the Transportation and Aviation Services City Service Area goal to Preserve and Improve Transportation Assets and Facilities. By performing pavement maintenance with 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 State Gas Tax Pavement Maintenance Fund. This Project will have no net operating and maintenance costs to the General Fund.

**1. TOTAL COST OF PROJECT**

Programmatic Project Delivery	\$ 324,198
Construction	3,094,818
Contingency	309,482
<b>TOTAL PROJECT COSTS</b>	<b>\$ 3,728,498</b>

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

Utility Adjustment	\$ 181,300
New Paving	2,454,425
Pavement Striping	257,118
Other Construction Costs	201,975
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$ 3,094,818</b>

**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	2024-2025 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
480	406C	Pavement Maintenance – SB1 Road Repair & Accountability Act 2017	\$32,129,885	\$3,094,818	1012	02/11/2025, 31176

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### **COORDINATION**

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

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the March 18, 2025 City Council meeting.

When the project commences the contractor will provide advance notification regarding working hours, duration of project, 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.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Environmental status granted by the Planning, Building and Code Enforcement Department. Exempt, File No. ER24-313, CEQA Guidelines Section 15301(c), Existing Facilities.

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## **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/

Matt Loesch

Director of Public Works

/s/

John Ristow

Director of Transportation

For questions, please contact Jennifer Seguin, Deputy Director, Department of Transportation, at [jennifer.seguin@sanjoseca.gov](mailto:jennifer.seguin@sanjoseca.gov) or (408) 794-6453 or Mathew Nguyen, Deputy Director, Department of Public Works at [mathew.nguyen@sanjoseca.gov](mailto:mathew.nguyen@sanjoseca.gov) or (408) 535-8300.

**ATTACHMENT - List of Streets**

**List of Streets**

<b>Street Name</b>	<b>Street From</b>	<b>Street To</b>	<b>Council District</b>
<b>1<sup>st</sup> St</b>	<b>Alma Ave</b>	<b>William St</b>	<b>3</b>
<b>10<sup>th</sup> St</b>	<b>Keyes St</b>	<b>Tully Rd</b>	<b>3, 7</b>
<b>Alma Ave</b>	<b>Minnesota Ave</b>	<b>Senter Rd</b>	<b>3, 6, 7</b>
<b>Autumn Pkwy</b>	<b>Coleman Ave</b>	<b>Julian St</b>	<b>6</b>
<b>Blossom Hill Rd</b>	<b>100' E of Meadowbrook Dr</b>	<b>Meridian Ave</b>	<b>9, 10</b>
<b>Camden Ave</b>	<b>Olympia Ave</b>	<b>Hillsdale Ave</b>	<b>9</b>
<b>Flickinger Ave</b>	<b>Doxey Pl</b>	<b>Hostetter Rd</b>	<b>4</b>
<b>Hamilton Ave</b>	<b>100' E of Greylands Dr</b>	<b>Meridian Ave</b>	<b>6</b>
<b>Hedding St</b>	<b>Chestnut St</b>	<b>Oakland Rd</b>	<b>3, 6</b>
<b>Jackson Ave</b>	<b>Berryessa Rd</b>	<b>Alum Rock Ave</b>	<b>4, 5</b>
<b>Meridian Ave</b>	<b>Curtner Ave</b>	<b>Blossom Hill Rd</b>	<b>9</b>
<b>Montgomery St</b>	<b>Santa Clara Ave</b>	<b>Park Ave</b>	<b>6</b>
<b>Moorpark Ave</b>	<b>Lawrence Expy</b>	<b>Saratoga Ave</b>	<b>1</b>
<b>Rainbow Dr</b>	<b>De Anza Blvd</b>	<b>Johnson Ave</b>	<b>1</b>
<b>River Oaks Pkwy</b>	<b>River Oaks Pl</b>	<b>Montague Expy</b>	<b>4</b>
<b>Silver Creek Valley Rd</b>	<b>Farnsworth Dr</b>	<b>Hellyer Ave</b>	<b>2, 8</b>
<b>Stevens Creek Blvd</b>	<b>Bascom Ave</b>	<b>I-880/SR-17 Overpass</b>	<b>6</b>