



COUNCIL AGENDA: 5/20/25
FILE: 25-535
ITEM: 5.1

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Loesch

SUBJECT: See Below

DATE: April 28, 2025

Approved

Date:

5/5/25

COUNCIL DISTRICT: Citywide

SUBJECT: Report on Bids and Award of Contract for the 10522 – 2025 Major Streets Resurfacing Project

RECOMMENDATION

- a) Report on bids and award a contract for the construction of 10522 – 2025 Major Streets Resurfacing Project to the lowest responsive, responsible bidder, MCK Services, Inc., in the amount of \$8,971,914; and
- b) Approve a 10% contingency in the amount of \$897,191.

SUMMARY AND OUTCOME

Award of this contract to MCK Services, Inc. enables the construction of the 10522 – 2025 Major Streets Resurfacing Project (Project) which will resurface and rehabilitate pavement on approximately 14 miles of streets along the Major Streets Network. Approval of the 10% contingency provides 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. The Major Street Network consists of 944 miles of the City of San José's (City) most heavily traveled streets, which collectively carry over 85% of the traffic in the City. This Project will resurface about 14 miles of streets in poor to failed condition. Resurfacing serves as

a maintenance measure to extend the streets' useful life and reduce long-term maintenance costs to the City.

Resurfacing involves removing a depth of two to four inches of damaged asphalt concrete and replacing it with a new layer. This is typically performed in two separate phases: preparation and final surface application. The preparation phase includes American with Disabilities Act-compliant curb ramp installations and retrofits. Preparation also includes the removal and replacement of any structurally failed areas of pavement that can be observed after the top layer of asphalt concrete is removed. The surface layer is applied along the street after the preparation phases are complete. To decrease the overall time frame 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 is for the resurfacing 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 2025 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 five miles designated as Equity Priority Communities in the Project, or roughly 9% of the 53 miles of the Major Streets selected for maintenance this year. The Attachment to this memorandum contains the list of streets to be resurfaced. The list may change if unforeseen circumstances arise or new information regarding other projects becomes available. Construction is scheduled to begin July 2025 with a substantial completion in October 2025.

ANALYSIS

Bids were opened on March 27, 2025, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
MCK Services, Inc. (Concord)	\$8,971,914	(\$2,759,906)	(24%)
O’Grady Paving, Inc. (Mountain View)	\$9,121,354	(\$2,610,466)	(22%)
DeSilva Gates Construction, Inc. (Dublin)	\$9,563,563	(\$2,168,257)	(18%)
Ghilotti Construction Company, Inc. (Santa Rosa)	\$9,913,576	(\$1,818,244)	(16%)
Teichert Construction, Inc. (Pleasanton)	\$10,004,568	(\$1,727,252)	(15%)
Engineer's Estimate	\$11,731,820	--	--

Bid Price Analysis

The low bid submitted by MCK Services, Inc. is 24% below the Engineer’s Estimate. The bid is considered acceptable for the work involved in the project. The prices for hot-mix asphalt and thermoplastic striping did not increase as projected.

Contractor Responsibility Analysis

The recommended contractor has successfully completed many projects with a similar scope of work in the past few years, including the recently completed 2022-2024 LS Resurfacing (Option Term No. 2) and 2023-2025 LS Resurfacing (Option Term No. 1).

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of a 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 March 27, 2025 and again on April 8, 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 nor 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, three additional local and neighborhood street pavement maintenance projects are scheduled for City Council action this summer.

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 480 – 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:

Project Delivery	\$2,098,347
Construction	8,971,914
Contingency	897,191
TOTAL PROJECT COSTS	\$11,967,452

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

Utility Adjustment	\$690,320
New Paving	6,890,350
Thermoplastic Striping	1,277,465
Other Construction Costs	113,780
TOTAL BASE BID AMOUNT	\$8,971,915

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	\$8,971,914	1012	02/11/2025, Ord No. 31176

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 May 20, 2025 City Council meeting. 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

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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. 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/
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 or (408) 794-6453 or Mathew Nguyen, Deputy Director, Department of Public Works at mathew.nguyen@sanjoseca.gov or (408) 535-8300.

ATTACHMENT – List of Streets

List of Streets

CD	STREET NAME	FROM	TO
3	24 TH ST	SANTA CLARA ST	JULIAN ST
8	CUNNINGHAM AV	W CITY LIMIT	CAPITOL EXPY
4	GISH RD	100' W/O TERMINAL AV	OLD BAYSHORE HWY
9	LEIGH AV	BRANHAM LN	CAMDEN AV
6	LINCOLN AV	LONUS ST	CURTNER AV
4	MCCARTHY BL	95' S/O DIXON LANDING RD	BRIDGE DECK
3	REED ST	ALMADEN AV	1 ST ST
8	RUBY AV	KOHLER AV	TULLY RD
6	SAN CARLOS ST	DELMAS AV	4 TH ST
6	SKYPORT DR	728' W/O TECHNOLOGY DR	1 ST ST
3, 6	TAYLOR ST	STOCKTON AV	SAN PEDRO ST
5	WHITE RD	ALUM ROCK AV	MT. VISTA RD