



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

SUBJECT: SEE BELOW

FROM: John Ristow
Matt Loesch

DATE: April 4, 2023

Approved

Date

4/10/23

**SUBJECT: REPORT ON BIDS AND AWARD A CONSTRUCTION CONTRACT FOR
THE 10255 – 2023 MAJOR STREETS RESURFACING PROJECT #1**

RECOMMENDATION.

Report on bids and award a construction contract for the 10255 – 2023 Major Streets Resurfacing Project #1, to the lowest responsive, responsible bidder, O’Grady Paving, Inc., in the amount of \$11,561,847 and approve a 10 percent contingency in the amount of \$1,156,185.

SUMMARY AND OUTCOME

Award of this construction contract to O’Grady Paving, Inc. will result in the resurfacing of approximately 17 miles of streets within the Major Street Network. Approval of the 10 percent contingency provides funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

The Major Street Network consists of 967 miles of the City’s most heavily traveled streets, which collectively carry over 85% of the traffic in the City. The Department of Transportation annually schedules streets to be resurfaced to improve their structural integrity, ride quality, appearance, and to extend the useful life of the streets to defer more costly reconstruction. A total of 75 miles of major streets is planned for maintenance in 2023. Forty-one miles will be surface-sealed, while 34 miles will be resurfaced due to their poor to failed condition. Three separate construction contracts will be executed to carry out the plan.

This contract focuses on the 17 of 34 miles planned for major resurfacing work. To decrease the overall timeframe for completing all Citywide pavement work, the 2023 resurfacing work is divided into two separate projects, of which this project is the first. A second project will be

April 4, 2023

Subject: Report on Bids and Award a Construction Contract for the 10255 – 2023 Major Streets Resurfacing Project #1

Page 2

scheduled for City Council award at a later date. The 41 miles of surface sealing work was awarded on April 4, 2023.

Pavement maintenance is typically performed in two separate phases: preparation and a final surface application. The preparation phase consists of the installation and upgrade of Americans with Disabilities Act curb ramps; this work was conducted through minor contracts that provide more opportunities for local/small businesses. The final surface application phase will consist of “resurfacing” and includes the removal of several inches of damaged or degraded roadway and its replacement with a new layer of asphalt, as well as installation of new roadway striping and markings.

The Department of Transportation utilizes a Pavement Management System to collect and store roadway condition data that is used to generate a candidate list of streets to be considered for the annual pavement maintenance program. The candidate list is then thoroughly analyzed by staff using the following criteria to create the final list of streets:

- Funding availability and funding use restrictions
- Total miles of streets in reconstruction and rehabilitation category
- 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
- 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
- Number of public traffic attraction facilities such as schools, hospitals, libraries, community centers, etc.
- Community and City Council office feedback regarding roadway conditions and priority street segments

As part of the Department of Transportation’s equity analysis in the development of the 2023 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, the Department of Transportation will be maintaining 20 miles designated as Equity Priority Communities in 2023, which is roughly 26% of the 75 miles of Major Streets selected for maintenance.

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.

ANALYSIS

Bids were opened on March 9, 2023, with the following results:

<u>Contractor</u>	<u>City</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>% Over/Under Engineer's Estimate</u>
O'Grady Paving, Inc.	Mountain View, CA	\$11,561,847.00	\$676,294.75	-5.5%
MCK Services, Inc.	Concord, CA	\$11,887,169.00	\$350,972.75	-2.9%
<i>Engineer's Estimate</i>	--	<i>\$12,238,141.75</i>	--	--
A. Teichert & Son, Inc.	Pleasanton, CA	\$12,733,026.00	\$494,884.25	4.0%
DeSilva Gates Construction, LLC	San José, CA	\$12,989,989.00	\$751,847.25	6.1%

The Engineer's Estimate for this project is \$12,238,141.75 and was based on bids received from similar past projects and current estimated construction prices. The low bid, submitted by O'Grady Paving, Inc., is \$11,561,847.00 and is 5.5% below the Engineer's Estimate. The bid is considered acceptable for the work involved in the project.

Construction is scheduled to begin in June 2023 and be completed by the end of November 2023.

Contingency

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

Project Labor Agreement Applicability

The Project Labor Agreement is applicable to this project because the Engineer's Estimate is over \$1.2 million.

Local and Small Business Outreach

Public Works procurement staff used Biddingo to outreach to local and small business enterprises. Chapter 4.12 of the San José Municipal Code defines a "local business enterprise" as one with a legitimate business presence in Santa Clara County and "small business enterprise" as a local business enterprise with 35 or fewer employees. Procurement staff sent bid invitations to 9126 vendors, and documents were downloaded by 27 vendors, approximately two of which were located within Santa Clara County and therefore local. The recommended contractor is a

April 4, 2023

Subject: Report on Bids and Award a Construction Contract for the 10255 – 2023 Major Streets Resurfacing Project #1

Page 4

local and a small business enterprise. No local or small business enterprises were listed as subcontractors on the project.

EVALUATION AND FOLLOW-UP

The Department of Transportation 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, one additional major street projects, and four 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 480 – State Gas Tax Pavement Maintenance Fund. This project will have no net operating and maintenance costs to the General Fund.

TOTAL COST OF PROJECT:

Programmatic Project Delivery Estimate	\$1,156,185
Construction Contract	\$11,561,847
Contingency	<u>\$1,156,185</u>
TOTAL PROJECT COSTS:	\$13,874,217

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract	2022-23 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Source of New Funding						
480	406C	Pavement Maintenance-SB1 Road Repair & Accountability Act 2017	\$39,274,833	\$11,561,847	1081	10/18/22, 30833
Total Current Funding Available			\$39,274.833	\$11,561,847		

HONORABLE MAYOR AND CITY COUNCIL

April 4, 2023

Subject: Report on Bids and Award a Construction Contract for the 10255 – 2023 Major Streets Resurfacing Project #1

Page 5

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the April 25, 2023 City Council meeting.

To solicit contractors, this project was listed on an online bid solicitation website, Biddingo, where bid packages were made available to download for contractor organizations and builders' exchange. 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.

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. ER23-009, 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
Acting Director of Public Works

/s/
JOHN RISTOW
Director of Transportation

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

Attachment: List of Streets

List of Streets

Street Name	From	To	Council District
21ST ST N	SANTA CLARA ST E	400 FT N/OF SANTA CLARA ST E	3
BAILEY AV	MCKEAN RD	MONTEREY RD	2
BLOSSOM HILL RD	BLOSSOM DALE DR	FRANCIS OAK WY	9
CHERRY AV	CURTNER AV	DRY CREEK RD	6
COMMERCIAL ST	4TH ST	10TH ST N	3
COYOTE RD	SENER RD	BLOSSOM HILL RD	2
ELWOOD RD	ECHO VALLEY DR	OLIVE BRANCH LN	10
FENIAN DR	RINCON	230' S OF KEITH DR	1
HARWOOD RD	BLOSSOM HILL AV	LITTLE BRANHAM LN	9
HOSTETTER RD	PIEDMONT RD	OLD PIEDMONT RD	4
LOS GATOS ALMADEN RD	50' E/AURORA LN	TAFT DR	9
MCLAUGHLIN AV	TUERS RD	CAPITOL EX	7
PRUNERIDGE AV	WESTRIDGE DR	WINCHESTER BL N	6
RACE ST	SAN CARLOS ST W	PARK AV	6
RINEHART DR	LANNING WY	N JACKSON AV	5
SAN TOMAS AQUINO	340' N BUCKNALL	RINCON	1
STOKES ST	SOUTHWEST	LEIGH AV	6
VIA DEL ORO	SAN IGNACIO	BERNAL RD	10
YERBA BUENA RD	VILLA VISTA RD	SAN FELIPE RD	8