



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Loesch

SUBJECT: SEE BELOW

DATE: March 27, 2023

Approved

Date

4/3/23

COUNCIL DISTRICT: 1, 2, 8 & 9

SUBJECT: REPORT ON BIDS AND AWARD A CONSTRUCTION CONTRACT FOR THE 10182 – 2023-2025 LOCAL STREETS RESURFACING (MULTI-TERM) PROJECT

RECOMMENDATION

- a) Report on bids and award a construction contract for the 10182 – 2023-2025 Local Streets Resurfacing (Multi-Term) Project, to the lowest responsive, responsible bidder, MCK Services, Inc., in the amount of \$12,385,675 and approve a 10% contingency in the amount of \$1,238,000.
- b) Adopt a resolution authorizing the Director of Transportation to:
 - 1) Exercise up to two one-term options, for a total amount not to exceed \$12,500,000 for each option term period, contingent on the appropriation of funds; and
 - 2) Establish a construction contingency for any option year of up to 10% of the contract amount, not to exceed \$1,250,000 for each option term, contingent on the appropriation of funds.

SUMMARY AND OUTCOME

Award of this construction contract to MCK Services, Inc. will resurface approximately 28 miles of streets within the Local and Neighborhood Streets Network during the initial term. It is also estimated that an additional 28 miles could be resurfaced with each subsequent one-term option period if exercised. Approval of the 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of each project.

BACKGROUND

The Department of Transportation (DOT) will maintain approximately 161 miles of streets on the Local and Neighborhood Street Network in the 2023 construction season. 110 miles will be resurfaced due to their poor to failed condition, and 51 miles will be sealed. These projects are funded by Measure T Bonds.

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 Disability Act curb ramps. The Americans with Disability Act work is conducted under minor contracts to provide more opportunities for local/small businesses. The final surface application phase is known as resurfacing, which is the removal of several inches of damaged or degraded roadway, and the installation of a new layer of asphalt, followed by roadway striping and markings. To complete 110 miles of resurfacing work in one construction season, the 2023 resurfacing work will be divided into four separate projects and implemented concurrently.

The City's Local and Neighborhood Street Network is organized into 135 geographically contiguous Pavement Maintenance Zones. The Pavement Maintenance Zones were established several decades ago to support efficient planning and delivery of paving projects, maximize the amount of paving work completed at one time within a neighborhood area, and provide geographic spread of pavement maintenance across the City.

DOT 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
- 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

In 2021, DOT added equity as a criterion for zone selection. DOT staff cross-referenced the selected zones with census tracts designated by the Metropolitan Transportation Commission as "Equity Priority Communities", formerly known as "Communities of Concern" to better track equity in service delivery. Results confirmed that 313 out of 354 miles (roughly 88%) of local and neighborhood streets designated in Equity Priority Communities areas will be maintained by

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the end of the current three-year plan (2025). DOT anticipates completing pavement maintenance for nearly 76% of the local street network in this same timeframe.

DOT has maintained a total of 214 Equity Priority Communities miles since 2019 and will be maintaining an additional 15 Equity Priority Communities miles in 2023, which is roughly 9% of the 161 miles of Local and Neighborhood Streets selected for maintenance in 2023.

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 street-related projects becomes available.

ANALYSIS

Bids were opened on March 2, 2023, with the following results:

Contractor	City	Bid Amount	Variance Amount	% Over/Under Engineer's Estimate
MCK Services, Inc.	Concord, CA	\$12,385,675	\$1,665,045	-11.9%
DeSilva Gates Construction, Inc.	Dublin, CA	\$13,987,000	\$63,720	-0.5%
<i>Engineer's Estimate</i>	--	<i>\$14,050,720</i>	--	--
A. Teichert & Son, Inc.	Pleasanton, CA	\$14,142,658	\$91,938	0.7%

The Engineer's Estimate for this project is \$14,050,720 and was based on bids received from similar past projects and current estimated construction prices. The low bid submitted by MCK Services, Inc. is \$12,385,675 and is 11.9% below the Engineer's Estimate. The bid is considered acceptable for the work involved in the project.

MCK Services, Inc. previously completed all three years of the 2020-2022 LS Resurfacing (Multi-year) project, which was the City's first multi-term paving contract. MCK Services, Inc. has also completed two of the three years of the 2022–2024 LS Resurfacing Project. The scope and size of the two projects are comparable. In each of the three years, the 2020-2022 LS Resurfacing Project paved 20, 25, and 24 miles. The 2022-2024 LS Resurfacing Project paved 26 miles in 2022 and is being scheduled to resurface 25 miles in 2023.

The contract will have an initial term beginning on the date the City Council awards the contract and ending on December 31, 2023, as well as two additional one-term options. The unit prices in

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the “schedule of quantities” applicable in the initial term will be applicable in each option year subject to price adjustment based on the California Statewide Crude Oil Price Index and the California Construction Cost Index. The scope of work during an option year will be the same as the scope of work during the initial term, except that the work will be at different locations for approximately same miles of streets. Subject to the appropriation and availability of funds, DOT – in the Director’s sole discretion – will have the option to extend the Initial Term for 2 additional one-term options.

DOT recommends that the City Council adopt a resolution allowing the Director to execute the two one-term options, as appropriate. This action gives the City the ability to secure favorable prices in subsequent option years and the advantage to start paving operations earlier in the year by saving time from the typical procurement process. This strategy was first successfully piloted in 2020, resulting in the efficient resurfacing of 69 miles of local streets over the three-year period.

Construction is scheduled to begin in May 2023 and be completed by the end of October 2023.

Contingency

San Jose Municipal Code Section 27.04.050 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.

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 14 vendors, 5 of which were located within Santa Clara County. 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, three additional major street projects consisting of 75

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miles, and six additional local and neighborhood street pavement maintenance projects totaling 133 miles are scheduled for 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 498 – Measure T Public Safety and Infrastructure Bond Fund. This project will have no net operating and maintenance costs to the General Fund.

1. TOTAL COST OF PROJECT:

Programmatic Project Delivery Estimate	\$1,238,000
Construction Contract	\$12,385,675
Contingency	<u>\$1,238,000</u>
TOTAL PROJECT COSTS:	\$14,861,675

BUDGET REFERENCE

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

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						
498	415Y	Pavement Maintenance Measure T Bond	\$51,433,000	\$12,385,675	1016	10/18/2022, 30833
Total Current Funding Available			\$51,433,000	\$12,385,675		

COORDINATION

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

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PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the April 18, 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, DOT Division Manager at (408) 794-1945.

Attachment: List of Streets

List of Streets
(Initial Term of Contract - Year 2023)

Street Name	From	To	Council District
ADELAIDE WY	SANDY LN	EMILINE DR	9
ANNE CT	ANNE WY	S END	9
ANNE WY	COPELAND LN	LEIGH AVE	9
ANNE WY	LEIGH AVE	CITY LIMIT	9
ANNIE LAURIE WY	BAGPIPE WY	SILVER CREEK RD	8
ARPEGGIO AV	DULCEY DR	ROSENBAUM AV	2
ASHRIDGE LN	YERBA BUENA RD	N END	8
AVON CT	BLUEFIELD DR	S END	2
BARONET CT	YERBA BUENA RD	N END	8
BARONI AV	SNELL AV	W END	2
BEAUMONT DR	PARKFIELD AV	DEL CAMBRE DR	1
BEN LOMOND WY	DANIEL MALONEY DR	THREADNEEDLE WY	8
BLANCO DR	EASTUS DR	MARILLA AV	1
BLANCO DR CUL DE SA	BLANCO DR	S END	1
BLANCO DR CUL DE SAC	BLANCO DR	S END	1
BOBBYWOOD AV	COPELAND LN	BLOSSOM HILL RD	9
BRIDAL PLACE CT	COLT WY	S END	8
BRIGADOON WY	ABORN RD	DANIEL MALONEY DR	8
BRIGADOON WY	CAMPERDOWN WY	CORKERHILL WY	8
BRIGADOON WY	DANIEL MALONEY DR	CAMPERDOWN WY	8
CAMPERDOWN WY	S END	TORYGLEN WY	8
CAMPERDOWN WY	TORYGLEN WY	BRIGADOON WY	8
CARDEL WY	MICHON DR	ELROSE AV	9
CARICK PLACE WY	COLT WY	MEADOW GLEN WY	8
CARICK PLACE WY	COLT WY	RAVENS PLACE WY	8
CARRYDUFF WY	LORWICK WY	BRIGADOON WY	8
CATALINA DR	MARILLA AV	MALIBU DR	1
CHEVALIER DR	HARWOOD RD	COPELAND LN	9
CLEARPARK CR	KINGSPARK DR	CLEANPARK PL	2
CLEARPARK PL	CLEARPARK CR	N END	2
COLT WY	SILVER CREEK RD	DOVE HILL RD	8
COPELAND CT	COPELAND LN	W END	9
COPELAND LN	CHEVALIER DR	BLOSSOM HILL RD	9
COPELAND PL	COPELAND LN	W END	9

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Street Name	From	To	Council District
CORDOY LN	MICHON DR	MICHON DR	9
CORKERHILL WY	BRIGADOON WY	CAMPERDOWN WY	8
CORONA DR	MALIBU DR	MARILLA AV	1
COTY WY	MARTI WY	ROSENBAUM AV	2
COVINGTON CT	MONET CR	E END	2
CRANWORTH CR	CORKERHILL WY S	CORKERHILL WY N	8
CREEKWOOD DR	DOYLE RD	E END	1
CRESCENDO AV	ROSENBAUM AV	DULCEY DR	2
CURLING CT	BAGPIPE WY	S END	8
DANIEL MALONEY DR	BRIGADOON WY	SILVER CREEK RD	8
DANIEL MALONEY DR	NIEMAN BL	BRIGADOON WY	8
DEANS PLACE WY	CEDAR KNOLL CT	POLTON PLACE WY	8
DEL CAMBRE DR	WILLIAMS RD	PARKFIELD AV	1
DEL ORO CT	DEL ORO DR	W END	9
DEL ORO DR	ANNE WY	BLOSSOM HILL DR	9
DEL ORO PL	DEL ORO DR	W END	9
DERMOTT DR	VENICE WY	S END	1
DOVE HILL RD	COLT WY	N END	8
DULCEY CT	DULCEY DR	N END	2
DULCEY DR	ROSENBAUM AV	KINGSPARK DR	2
EAGLEHURST DR	SILVER CREEK RD	CARRYDUFF WY	8
EASTUS DR	MARILLA AV	DEL CAMBRE DR	1
EDENWOOD CT	EDENWOOD DR	E END	8
EDENWOOD DR	YERBA BUENA RD	GLENGARRY DR	8
ELROSE AV	CHEVALIER DR	LOS GATOS ALMADEN RD	9
ELROSE AVE	LOS GATOS ALMADEN RD	MICHON DR	9
EMILINE DR	LOS GATOS ALMADEN RD	LAURINDA DR	9
FIRTH WY	BAGPIPE WY	THREADNEEDLE WY	8
GARDIE PLACE WY	RAVENS PLACE WY	YERBA BUENA RD	8
GILDA WY	HARLOW WY	HARWOOD RD	9
GILDA WY	MARY JO WY	HARLOW WY	9
GLENSTONE CT	HURSTGLEN WY	W END	8
GRANDPARK CR	VISTAPARK DR	VISTAPARK DR	2
GREENPARK WY	VISTAPARK DR	KINGSPARK DR	2
GREGG DR	LEIGH AV	CITY LIMIT	9
GRUWELL PL	MORAN DR	N END	1

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Street Name	From	To	Council District
GYPSY PLACE CT	WIVEN PLACE WY	W END	8
HAPPY VALLEY AV	PARKFIELD AV	DOYLE RD	1
HAPPY VALLEY AV	WILLIAMS RD	PARKFIELD AV	1
HEATHCOT CT	CAMPERDOWN WY	S END	8
HEATHER CT	HEATHER DR	N END	9
HEATHER DR	WARWICK RD	UNION AV	9
HERBERT DR	SCHOOL	HERSHNER DR	9
HERSHNER DR	CITY LIMIT	CITY LIMIT	9
HOME PARK CT	YERBA BUENA RD	N END	8
HURSTGLEN WY	EAGLEHURST DR	YERBA BUENA RD	8
HURSTWOOD CT	HURSTGLEN WY	W END	8
KAY DR	SHARON LN	LEIGH AV	9
KELLY DR	WILMINGTON AV	PARKFIELD AV	1
KENTFIELD DR	HERSHNER DR	SCHOOL	9
KENTFIELD DR	LOS GATOS ALMADEN RD	HERSHNER DR	9
KINGSPARK DR	GREENPARK WY	ROSENBAUM AV	2
LASSEN PARK CR	KINGSPARK DR	KINGSPARK DR	2
LAURINDA DR	685'W/MAITLAND DR	LEIGH AV	9
LAURINDA DR	LEIGH AV	NERISSA WY	9
LAURINDA DR	MAITLAND DR	685'W/MAITLAND DR	9
LEO DR	WILLIAMS RD	VENICE WY	1
LOCH NESS CT	LOCH NESS WY	S END	8
LOCH NESS WY	BAGPIPE WY	BEN LOMOND WY	8
LONE HILL RD	600'N/LOS GATOS ALMADEN RD	LAURINDA DR	9
LONE HILL RD	LOS GATOS ALMADEN RD	600'N/LOS GATOS ALMADEN RD	9
LORWICK WY	ASHRIDGE LN	CARRYDUFF WY	8
MAC DUEE CT	MAC DUEE WY	E END	8
MAC DUEE WY	THREADNEEDLE WY	BAGPIPE WY	8
MAITLAND DR	MICHON DR	LAURINDA DR	9
MALIBU DR	VENICE WY	DOYLE RD	1
MARASCHINO DR	WILLIAMS RD	MORAN DR	1
MARILLA AV	DOYLE RD	PIPER DR	1
MARILLA AV	PIPER DR	WILLIAMS RD	1
MARSH MANOR WY	SILVER CREEK RD	MEADOW GLEN WY	8
MARTI WAY	BLUEFIELD DR	COTY WY	2
MARY JO CT	MARY JO WY	E END	9

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Street Name	From	To	Council District
MARY JO WY	BLOSSOM HILL RD	CHEVALIER DR	9
MEADOW GLEN CT	MARSH MANOR WY	E END	8
MEADOW GLEN WY	CARICK PLACE WY	COLT WY	8
MEADOW GLEN WY	MARSH MANOR WY	CARICK PLACE WY	8
MIA CR	BRANHAM LN	BRANHAM LN	2
MICHON CT	MICHON DR	E END	9
MICHON DR	HARWOOD DR	CARDEL WY	9
MOCKING PLACE WY	RUTHER PLACE WY	SILVER CREEK RD	8
MONET CR	ROSENBAUM AV	SNELL AV	2
MONET PL	MONET CR	S END	2
MORAN DR	E/S LEO DR	WILL RODGERS DR	1
MORAN DR	MARASCHINO DR	W/S LEO DR	1
NERISSA WY	LAURINDA DR	S END	9
OSUNA PL	DOYLE RD	E END	1
PARK ARCADIA DR	BRANHAM LN	PARK PAXTON PL	2
PARK BELMONT PL	PARK PAXTON PL	N END	2
PARK CHERRY PL	PARK PAXTON PL	N END	2
PARK ELLEN DR	PARK ARCADIA DR	PARK SOMMERS WY	2
PARK MILFORD PL	PARK ELLEN DR	N END	2
PARK NORTON PL	PARK ELLEN DR	N END	2
PARK OXFORD PL	PARK PAXTON PL	N END	2
PARK SHARON DR	PARK ELLEN DR	PARK ARCADIA DR	2
PARK SUTTON PL	PARK SHARON DR	N END	2
PARK WATSON PL	PARK SHARON DR	E END	2
PARKFIELD AV	DEL CAMBRE DR	WILMINGTON AV	1
PEACEFUL GLEN CT	MEADOW GLEN WY	S END	8
PINEWOOD DR	WILLIAMS RD	S END	1
PIPER DR	LEO DR	E END	1
PIPER DR	MARILLA AV	LEO DR	1
PROVANMILL WY	CAMPERDOWN WY	NIEMAN BL	8
QUIET MEADOW CT	MEADOW GLEN WY	S END	8
RAVENS PLACE WY	DEANS PLACE WY	SILVER CREEK RD	8
ROMFORD DR	CHEVALIER DR	ROXANNE DR	9
ROSENBAUM AV	SNELL AV	CAPITOL EX	2
ROX PLACE CT	COLT WY	S END	8
ROXANNE DR	RUCKER DR	CHEVALIER DR	9
RUTHER PLACE CT	RUTHER PLACE WY	N END	8
RUTHER PLACE WY	COLT WY	MOCKING PLACE WY	8

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Street Name	From	To	Council District
SANDY LN	LAURINDA DR	LOS GATOS ALMADEN RD	9
SAYOKO CL	SNELL AV	SNELL AV	2
SELINDA LN	LAURINDA DR	S END	9
SILVER GLEN CT	GARDIE PL	N END	8
SILVER MEADOW CT	GARDIE PL	N END	8
SLEEPY MEADOW CT	MEADOW GLEN WY	S END	8
SPOSITO CL	KINGSPARK DR	CLEARPARK PL	2
SPOSITO CL	KINGSPARK DR	KINGSPARK DR	2
SPRINGPARK CL	VISTAPARK DR	VISTAPARK DR	2
SUNPARK CT	SUNPARK LN	S END	2
SUNPARK LN	VISTAPARK DR	GREENPARK WY	2
SUNPARK PL	SUNPARK LN	S END	2
SWEET AV	WILLIAMS RD	MORAN DR	1
TESORO CT	DEL ORO DR	W END	9
THURESON WY	GILDA WY	BLOSSOM HILL RD	9
TORYGLEN WY	NIEMAN BL	CAMPERDOWN WY	8
TURNHOUSE LN	BRIGADOON WY	LADDIE WY	8
TWEEDSMUIR CT	NIEMAN BL	W END	8
VENICE WY	SARATOGA AV	MARILLA AV	1
VIA ALEGRIA CT	SILVER CREEK RD	W END	8
VIEWPARK CL	VISTAPARK DR (N)	920'E/VISTAPARK DR (N)	2
WALLY PLACE WY	COLT WY	CEDAR KNOLL CT	8
WARWICK RD	LOS GATOS ALMADEN RD	N END	9
WENDOVER LN	NIEMAN BL	400'W/NIEMAN BL	8
WHINNEY PLACE WY	YERBA BUENA RD	RAVENS PLACE WY	8
WILL ROGERS DR	SARATOGA AV	ZARICK DR	1
WILMINGTON AV	PARKFIELD AV	HAPPY VALLEY AV	1
WIVEN PLACE WY	RAVENS PLACE WY	WHINNEY PLACE W	8
ZARICK DR	WILL ROGERS DR	WILLIAMS RD	1