



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow  
Matt Loesch

**SUBJECT:** See Below

**DATE:** April 7, 2025

Approved

Date:

4/15/25

**COUNCIL DISTRICT:** Citywide

**SUBJECT: Report on Bids and Award of Contract for the 10508 – 2025 Major Streets Sealing Project**

## **RECOMMENDATION**

- a) Report on bids and award a contract for the construction of 10508 – 2025 Major Streets Sealing Project, to the lowest responsive, responsible bidder, Graham Contractors, Inc., in the amount of \$7,445,538.90; and
- b) Approve a 10% percent contingency in the amount of \$744,553.89.

## **SUMMARY AND OUTCOME**

Award of the contract to Graham Contractors, Inc. enables the construction of the 10508 – 2025 Major Streets Sealing Project (Project) which will seal approximately 39 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. Of that total, this Project will seal 39 miles of streets to extend pavement life and improve overall

roadway conditions. 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: preparation and a final surface application. The preparation phase includes American with Disabilities Act (ADA) compliant curb ramp installations and retrofits and the removal and replacement of any structurally failed areas of pavement prior to the commencement of the pavement surface treatment. The final surface treatment, also known as micro-surfacing application, is applied to the entire street after the 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 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 Streetsaver, 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 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 10 miles designated as Equity Priority Communities with this Project, roughly 19% of the 53 miles of Major Streets selected for maintenance during the 2025 construction season.

The Attachment to this memorandum contains the list of streets to be maintained with a micro-surfacing 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 June 2025, with a substantial completion in November 2025.

## **ANALYSIS**

Bids were opened on March 6, 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>
Graham Contractors, Inc. (San Jose)	\$7,445,538.90	(\$342,184.60)	(4%)
<b>Engineer's Estimate</b>	<b>\$7,787,723.50</b>	--	--
Pavement Coatings Co. (Sacramento)	\$7,949,445.05	\$161,721.55	2%

The low bid submitted by Graham Contractors, Inc. is 4% 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 microsurfacing and tack oil items, but these prices did not change as much as anticipated when compared to last year. The microsurfacing bid item cost went down by \$4 per ton, to \$351 per ton. The tack coats bid item went up from \$405 to \$525 compared to last year. Thermoplastic striping item prices went up slightly compared to the 2024 Major Streets Sealing Project.

Graham Contractors, Inc. has previously completed paving projects for the City of San José, including the 10407 – 2024 Major Streets Sealing Project with a beneficial use of November 2024 and 10254 – 2023 Major Streets Sealing Project accepted in October 2024.

### ***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 a local 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 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 streets pavement maintenance project 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 Construction Excise Tax Fund - State Gas Tax Pavement Maintenance (F480). This project will have no net operating and maintenance costs to the General Fund.

1. TOTAL COST OF PROJECT

Programmatic Project Delivery	\$ 313,097
Construction	7,445,539
Contingency	744,554
<b>TOTAL PROJECT COSTS</b>	<b>\$ 8,503,190</b>

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

New Paving	\$3,200,317
Pavement Striping	3,888,522
Loop Detectors	92,800
Other Construction Costs	263,900
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$ 7,445,539</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 Capital Budget Page	Last Budget Action (Date, Ord. No.)
480	406C	Pavement Maintenance – SB1 Road Repair & Accountability Act 2017	\$32,129,885	\$7,445,539	1012	02/11/2025, Ord. 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 April 29, 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

April 7, 2025

**Subject: Report on Bids and Award of Contract for the 10508-2025 Major Streets Sealing Project**  
Page 6

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**

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](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

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