



COUNCIL AGENDA: 6/21/22
FILE: 22-971
ITEM: 5.1

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Cano

SUBJECT: SEE BELOW

DATE: June 2, 2022

Approved

Date

6/10/22

COUNCIL DISTRICT: 1 & 6

**SUBJECT: CITY ROADMAP – PAVEMENT, FIRE, EOC, TRANSIT CAPITAL
IMPROVEMENTS: 2022 STEVENS CREEK BLVD & WINCHESTER
BLVD RESURFACING PROJECT**

RECOMMENDATION

- (a) Approve award of a construction contract for the 10130 -- 2022 Stevens Creek Blvd & Winchester Blvd Resurfacing Project, to the low bidder, O'Grady Paving, Inc., in the amount of \$12,400,003 and approve an approximate 10 percent contingency in the amount of \$1,240,000.
- (b) Adopt a resolution authorizing the City Manager or designee to negotiate and execute a Cost Sharing Agreement with the City of Santa Clara for pavement maintenance improvements on Stevens Creek Boulevard and Winchester Boulevard as part of the 2022 Stevens Creek Blvd & Winchester Blvd Resurfacing Project. The payment made by the City of Santa Clara shall not exceed \$6,000,000.

OUTCOME

Approval of this construction contract will rehabilitate approximately seven miles in the Major Street Network of the City of San José (City) and approximately five miles of streets in the City of Santa Clara. Approval of an approximate 10 percent contingency will provide funding for unanticipated work necessary for the proper construction and completion of the project.

Approval of the Cost Sharing Agreement (Agreement) will allow the reimbursement to the City for costs associated with the pavement maintenance improvements on the City of Santa Clara's portion of Stevens Creek Boulevard and Winchester Boulevard.

BACKGROUND

The City's Department of Transportation (DOT) will maintain approximately 59 miles of streets on the Major Street Network in the 2022 construction season. Of these 59 miles, DOT is planning to resurface approximately 34 miles of streets. The resurfacing work was divided into two separate projects to decrease the overall timeframe for completing the pavement work. Approximately seven miles will be resurfaced within the City and approximately five miles within the City of Santa Clara's right-of-way and are the subject of this memorandum. The construction cost of this contract will be shared by the City (58 percent) and the City of Santa Clara (42 percent). This is the second major streets resurfacing project for City Council action. A description of the 2022 pavement maintenance projects was provided in an information memorandum to the City Council in February 2022.

Resurfacing of streets generally includes the repair or replacement of damaged pavement, application of a new layer of asphalt, installation of new roadway striping and markings, and installation or retrofit of curb ramps where needed to comply with the Americans with Disabilities Act.

The Major Street Network consists of 967 miles of the City's most heavily traveled streets, which collectively carry over 85 percent of the traffic in the city. 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

The table below lists the street segments receiving maintenance as part of this project:

STREET NAME	FROM	TO
STEVENS CREEK BL	STERN AV	MONROE AV
WINCHESTER BL	STEVENS CREEK BL	NEWHALL AV

While equity was not specifically considered in the development of the 2022 Major Streets paving program, DOT 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 14 Equity Priority Communities miles in 2022, which is roughly 24 percent of the 59 miles of Major Streets selected for maintenance. This project will not be maintaining any Equity Priority Community miles.

Every year, DOT looks for opportunities to partner with other jurisdictions to deliver pavement maintenance projects along streets with shared jurisdiction ownership in a cooperative and economical manner. Stevens Creek Boulevard and Winchester Boulevard are due for pavement maintenance and is a shared roadway with the City of Santa Clara. Both cities are responsible for maintaining its respective right-of-way. The proposed Agreement will enable both jurisdictions to efficiently and cost effectively complete the pavement restoration on Stevens Creek Boulevard and Winchester Boulevard, with each City responsible for its shared construction costs. The City will be the lead agency and manage the pavement restoration on these streets.

ANALYSIS

Bids were opened on May 19, 2022, with the following results:

CONTRACTOR	CITY	BID AMOUNT	VARIANCE	% UNDER/OVER ENGINEER'S ESTIMATE
O'Grady Paving, Inc	Mountain View, CA	\$ 12,400,003.00	\$ 877,951.50	7.62%
DeSilva Gates Construction LLC	Dublin, CA	\$ 12,498,498.00	\$ 976,446.50	8.47%
<i>ENGINEER'S ESTIMATE</i>	--	\$ 11,522,051.50	--	--

The low bid submitted by O'Grady Paving, Inc. is \$12,400,003 and is 7.62 percent higher than the Engineer's Estimate. The Engineer's Estimate for this project is \$11,522,051.50. The estimate is based on bids received from similar past projects and current estimated construction prices. The bid prices reflect current high oil prices. The bid is considered acceptable for the work involved in the project. Staff recommends that the construction contract to be awarded to O'Grady Paving, Inc. No protests were filed for this project.

San José Municipal Code Section 7.04.050 provides that the contingency for all public works contracts (except those involving the renovation of a building or buildings) cannot exceed 10 percent of the total contract amount. Staff recommends an approximate 10 percent contingency, which should be sufficient to account for unforeseen conditions that might arise in construction.

Construction for the 2022 Stevens Creek Blvd & Winchester Blvd Resurfacing Project is scheduled to begin mid-August 2022 and to be completed by late October 2022.

Project Labor Agreement Applicability

A project labor agreement is not applicable to this project as more than 50 percent of the total cumulative engineer's estimate for the project is for street maintenance.

Local and Small Business Outreach

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 7,851 vendors and documents were downloaded by 22 vendors, approximately seven of which were located within Santa Clara County and therefore local. The recommended contractor is not a local or a small business enterprise. One subcontractor, Granite Rock Company, is located in San José, and is therefore a local business enterprise. Granite Rock Company will be performing cold in place recycling work, valued at approximately \$1,985,910.

CONCLUSION

Based on the evaluation of bids for the 2022 Stevens Creek Blvd & Winchester Blvd Resurfacing Project, the low bid is considered acceptable, and staff recommends awarding the construction contract to O'Grady Paving, Inc.

Approval of the Agreement will allow the partnership with the City of Santa Clara for the pavement resurfacing of Stevens Creek Boulevard and Winchester Boulevard.

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 and the City Council.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

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. 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.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This project supports the Transportation and Aviation Services City Service Area goal to *Preserve and Improve Transportation Assets and Facilities*.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Programmatic Project Delivery Estimate	\$1,240,000
2022 Major Streets Resurfacing Construction Contract	\$12,400,003
Contingency	\$1,240,000
TOTAL PROJECT COSTS:	\$14,880,003

2. SOURCE OF FUNDING: 480 – State Gas Tax Pavement Maintenance Fund

3. FISCAL IMPACT: This project will have no net operating and maintenance costs to the General Fund.

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BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the recommended contract award, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract	2021-2022 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Source of New Funding						
480	406C	Pavement Maintenance - SB1 Road & Repair Accountability Act 2017	\$22,560,246	\$12,400,003	968	10/19/21, 30682
Total Current Funding Available			\$22,560,246			

CEQA

Exempt, File No. PP18-029, CEQA Guidelines Section 15301(c), Existing Facilities.

/s/
JOHN RISTOW
Director, Department of Transportation

/s/
MATT CANO
Director, Public Works Department

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