

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
John Ristow

SUBJECT: SEE BELOW

DATE: April 17, 2023

Approved



Date

4/25/23

COUNCIL DISTRICTS: 2 & 10

**SUBJECT: AWARD OF CONTRACT FOR 10066 – MONTEREY ROAD GUARDRAIL
REPLACEMENT-REBID, FEDERAL PROJECT NO. HSIPL-5005(165)**

RECOMMENDATION

- (a) Report on bids and award contract for the 10066 – Monterey Road Guardrail Replacement Project, to the low responsible bidder, Midstate Barrier, Inc., in the amount of \$1,684,744; and
- (b) Approve a 10% contingency in the amount of \$168,474.

SUMMARY AND OUTCOME

The construction contract award to Midstate Barrier Inc. enables the 10066 – Monterey Road Guardrail Replacement Project-Rebid to proceed. Approval of a 10% contingency will provide funding for any unanticipated work that may be necessary for the proper completion of the project.

BACKGROUND

In 2018, the City of San José Department of Transportation submitted a grant application to the Federal Highway Administration's Highway Safety Improvement Program for the Monterey Road Guardrail Replacement project. (See **Attachment** - Location Map – Monterey Road Guardrail Replacement Project.) Monterey Road is an important north-south corridor that connects South San José and Downtown San José and is identified as one of the 17 major street corridors with the highest frequency of fatal and severe injury crashes in the City. As a result, Monterey Road has been classified as one of San José's Priority Safety Corridors with a clear need for safety improvements.

The Monterey Road Guardrail Replacement Project will upgrade approximately 2.7 miles of existing guardrails that are damaged and not up to the current standards along Monterey Road between Cottle Road and Metcalf Road. The project will also include proper disposal of treated wood waste by removing the existing guardrails at a California disposal site operating under a Department of Toxic Substances Control permit.

The total amount approved through the Highway Safety Improvement Program grant was \$1,000,000 for the construction phase. The City is contributing local match funds of \$100,000 and additional City funds up to \$1,700,000 for a total project budget up to \$2,800,000. On February 11, 2022, the California Department of Transportation approved the City's Request for Authorization (E-76) to proceed with construction.

The project was initially advertised on April 20, 2022, with the bid opening on May 12, 2022. However, only one bid was received, and after reviewing the bid, City staff determined that the proposal was non-responsive for failing to complete the bidder's experience form.

ANALYSIS

The project was re-advertised on January 18, 2023. By February 23, 2023, one bid was received as follows:

<u>Contractor</u>	<u>Base Bid Base Amount</u>	<u>Base Bid Variance Amount</u>	<u>Over/ (Under) Percent</u>	<u>Bid Alt 1 Amount</u>	<u>Total Bid Amount</u>
Midstate Barrier, Inc. (Stockton)	\$1,684,744	(98,806)	(5.54)	\$89,474	\$1,774,218
Engineer Estimate	\$1,783,550	---	---	\$101,930	\$1,885,480

Section 3-1.01D of the City of San José Special Provisions specifies how the City will determine the low bid when bid alternates are included. In this instance, only a single bid was received; therefore, staff determined Midstate Barrier, Inc., to be the low bidder for the project. The base bid submitted by Midstate Barrier, Inc., is six percent under the Engineer's Estimate.

Since this project received only one bid, the City had to conduct a bid analysis as required and detailed in Caltran's Local Assistance Procedures Manual. Bid analysis is a process performed by the City to justify the award of the bid and to assure that the lowest possible cost was received. Staff reviewed the bidder's experience statement and bid price and found that Midstate Barrier, Inc. provided a responsible and competitive bid. Staff recommends the award of the base bid in the amount of \$1,684,744 construction contract to Midstate Barrier, Inc.

Disadvantaged Business Enterprise Program Requirements

Per Federal Regulations, Title 49 CFR Part 26, a Disadvantaged Business Enterprise (DBE) goal of 11% was established for this project. Midstate Barrier, Inc. committed to \$203,304 (11%) in DBE participation, which meets the DBE goal set for this project.

Local and Small Business Outreach

In addition to soliciting DBE participation per Caltrans requirements, Procurement staff used Biddingo to reach out 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. A “small business enterprise” is a local business enterprise with 35 or fewer employees. Procurement staff sent bid invitations to 10,809 vendors, and 20 vendors downloaded documents, approximately one of which was located within Santa Clara County and considered a local business enterprise. The recommended contractor is not a local nor a small business enterprise. In addition, two local business enterprises are listed as subcontractors. Statewide Safety Systems (San José) will be performing traffic control work valued at approximately \$9,700. Granite Rock (San José) will conduct demolition and earthwork valued at approximately \$227,850.

Project Labor Agreement Applicability

The Director of Public Works determined that a Project Labor Agreement would be used for this project because the Engineer’s Estimate was more than \$1,200,000. The Federal Highway Administration also authorized the implementation of a Project Labor Agreement for this project.

Climate Smart San José Analysis

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

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery*	\$ 700,000
Construction	\$ 1,684,744
Contingency	\$ 168,474
TOTAL PROJECT COSTS	\$ 2,553,218
Prior Cost Expenditures (through April 2023)	(\$ 262,472)
REMAINING PROJECT COSTS	\$ 2,290,746

*Project Delivery includes \$262,472 for Design Services and \$437,528 for Construction Management and Inspection Services.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Temporary Traffic Control and other Misc. Work	\$ 292,195
Demolition and Earthwork Work	\$ 393,354
Guardrail Work	\$ 999,195
TOTAL AGREEMENT/CONTRACT AMOUNT	\$ 1,684,744

3. SOURCE OF FUNDING: 429 – Building and Structure Construction Tax Fund

4. FISCAL IMPACT: This project has no fiscal impact since the Department of Transportation has already budgeted for the operation and maintenance of the guardrails.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and the remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2022-2023 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
429	420I	Monterey Road Safety Improvements	\$2,617,000	\$1,684,744	1005	10/18/2022 Ord. No. 30833

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COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the May 9, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Categorically Exempt, File No. ER23-009, Exempt pursuant to 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 Mathew Nguyen, Deputy Director, Public Works Department, at (408) 535-8300.

ATTACHMENT: Location Map – Monterey Road Guardrail Replacement Project

10066 - MONTEREY ROAD GUARDRAIL REPLACEMENT PROJECT

FEDERAL PROJECT NO. HSIPL-5005(165)

(FROM COTTLE ROAD TO METCALF ROAD)



LOCATION MAP
NOT TO SCALE