



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

SUBJECT: 10256 – 2023 MAJOR STREETS
RESURFACING PROJECT #2

FROM: John Ristow
Matt Loesch

DATE: April 17, 2023

Approved

Date

4/24/23

RECOMMENDATION.

- (a) Report on bids and award of contract for the 10256 – 2023 Major Streets Resurfacing Project #2, to the lowest responsive, responsible bidder, DeSilva Gates Construction, LLC., in the amount of \$12,719,719; and
- (b) Approve a 10% contingency in the amount of \$1,271,972.

SUMMARY AND OUTCOME

Award of this contract to DeSilva Gates Construction, LLC. will resurface approximately 17 miles of streets within the Major Street Network. Approval of the 10% 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 (DOT) annually schedules streets to be resurfaced to improve their structural integrity, ride quality, appearance, and extend the useful life of the streets to defer more costly reconstruction. A total of 75 miles of major streets are planned for maintenance in 2023: 41 miles will be surface-sealed, while 34 miles will be resurfaced due to their poor to failed condition.

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 second. The 41 miles of surface sealing work was awarded by the City Council on April 4, 2023. This will be the final construction contract to be executed to carry out the 2023 plan on the major streets.

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. The Americans with Disabilities Act 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.

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
- 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 DOT’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, DOT 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 (refer to **Attachment – List of Streets**). The list may change if unforeseen circumstances arise or new information regarding other projects becomes available.

ANALYSIS

Bids were opened on March 23, 2023 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/Under Percent</u>
<i>Engineer's Estimate</i>	<i>\$12,637,172.60</i>	<i>--</i>	<i>--</i>
DeSilva Gates Construction, LLC (Dublin, CA)	\$12,719,719.00	\$82,546.40	0.7
A. Teichert & Son, Inc. (Pleasanton, CA)	\$13,225,967.00	\$588,794.40	4.7
MCK Services, Inc (Concord, CA)	\$14,412,555.55	\$1,775,382.95	14.1

The Engineer's Estimate for this project is \$12,637,172.60 and was based on bids received from similar past projects and current estimated construction prices. The low bid, submitted by DeSilva Gates Construction, LLC, is \$12,719,719 and is approximately 0.7% above the Engineer's Estimate. The bid is considered acceptable for the work involved in the project.

The recommended contractor has successfully completed many projects with similar scope of work in the past few years, including the recently completed 10129 – 2022 Major Streets Resurfacing Project and 9752 – 2021 LS Resurfacing #1 Project.

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.

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 19 vendors, approximately five of which were located within Santa Clara County and therefore local. The recommended contractor is not a local or a small business enterprise. One local and no 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, 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.

1. TOTAL COST OF PROJECT:

Programmatic Project Delivery Estimate* (10%)	\$1,271,972
Construction Contract	\$12,719,719
Contingency (10%)	<u>\$1,271,972</u>
TOTAL PROJECT COSTS:	\$15,263,663

* Programmatic Project Delivery Estimate includes approximately \$509,000 (4%) for design services and \$762,972 (6%) for construction management and inspection services.

2. COST ELEMENTS OF AGREEMENT/CONTRACT AS RECOMMENDED AS PART OF THE MEMORANDUM

Contract Elements	Extension
Mobilization	\$105,092
Materials and Placement	\$10,189,324
Utility Adjustments	\$715,400
Striping/Markings	\$1,709,903
TOTAL AGREEMENT/CONTRACT AMOUNT	\$12,719,719

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.)
480	406C	Pavement Maintenance-SB1 Road Repair & Accountability Act 2017	\$39,274,833	\$12,719,719	1081	10/18/22, 30833
Total Current Funding Available			\$39,274.833	\$12,719,719		

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 May 9, 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.

HONORABLE MAYOR AND CITY COUNCIL

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Page 6

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

Street Name	From	To	Council District
BLOSSOM HILL RD	CAHALAN AVE	BLOSSOM AVE	10
GOLD STREET CONNECTOR	AMERICA CENTER DR	LAYAFETTE ST	4
JULIAN ST E	21ST ST	HWY 101	3
LELONG AV	WILLOW ST	ALMA AV W	6
MATRIX BL	AIRPORT PY	4TH ST	6
MONTGOMERY ST N	CINNABAR ST	JULIAN ST W	6
PARKMOOR AV	LINCOLN AV	MERIDIAN AV	6
SAN CARLOS ST	SUNOL ST	3RD ST	3, 6
SARATOGA AV	WILLIAMS RD	460'S/LAWRENCE EX	1
SARATOGA FRONTAGE	SAVOY DR	S END	1
SARATOGA FRONTAGE	GRAVES AVE	N END	1
TULLY RD	LUCRETIA AVE	ZACHARY WAY	7
UNION AV	130' N/ BARRETT AV	LOS GATOS ALMADEN RD	9
UNION AV	LOS GATOS ALMADEN RD	BLOSSOM HILL RD	TLG*
ZANKER RD	HWY 237	MONTAGUE EX	4

**City of San José will be paid by Town of Los Gatos (TLG) to ensure street condition and markings uniformity*