



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow  
Matt Loesch

**SUBJECT:** SEE BELOW

**DATE:** May 1, 2023

Approved

Date

5/9/23

**COUNCIL DISTRICTS: 4, 5, 6 & 8**

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 10272 –  
2023 LOCAL STREETS RESURFACING NORTH PROJECT**

## **RECOMMENDATION**

- (a) Report on bids and award of contract for the 10272 – 2023 Local Streets Resurfacing North Project, to the lowest responsive, responsible bidder, MCK Services, Inc., in the amount of \$11,460,866 and;
- (b) Approve a 10% contingency in the amount of \$1,146,000.

## **SUMMARY AND OUTCOME**

Award of this contract to MCK Services, Inc. enables the completion of approximately 28 miles of resurfacing to streets within the Local and Neighborhood Streets Network. Approval of the 10% contingency provides funding for any unanticipated work necessary for the proper completion or construction of the project.

## **BACKGROUND**

The Department of Transportation (DOT) will maintain approximately 161 miles of streets on the Local and Neighborhood Streets 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 the Measure T Bond program which designates \$300 million for the repair or rehabilitation of local and neighborhood streets in the worst condition.

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 is conducted using minor contracts to provide more opportunities for local and 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 Streets 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" (EPC), 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 EPC areas will be maintained by 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 EPC miles since 2019 and will be maintaining an additional 22 EPC miles in 2023, representing 14% of the 161 miles of Local and Neighborhood Streets selected for maintenance for the year. This project includes 15 EPC miles, which is about 54% of the total planned 28 resurfacing miles.

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 April 13, 2023, 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>
MCK Services, Inc. (Concord, CA)	\$11,460,866.00	(\$810,904.50)	(7)
A. Teichert & Son, Inc. (Pleasanton, CA)	\$11,862,854.00	(\$408,916.50)	(3)
DeSilva Gates Construction, LLC (Dublin, CA)	\$12,180,000.00	(\$91,770.50)	(1)
<b><i>Engineer's Estimate</i></b>	<b><i>\$12,271,770.50</i></b>	--	--

The Engineer’s Estimate for this project is \$12,271,770.50 and was based on bids received from similar past projects and current estimated construction prices. The low bid, submitted by MCK Services, Inc., is \$11,460,866.00 and is approximately 7% below the Engineer’s Estimate. Staff considers the bid to be acceptable for the work involved and recommend awarding the contract to MCK Services, Inc.

MCK Services, Inc. has previously completed multiple major pavement maintenance projects for the City of San José. In the 2022 construction season, MCK Services, Inc. resurfaced approximately 114 miles of City streets through five different projects. In 2023, MCK Services Inc. has been awarded three major construction contracts to repave an additional 81 miles.

Construction is scheduled to begin in July 2023 and be completed by the end of November 2023.

**Contingency**

San José 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 as 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 9,126 vendors, and documents were downloaded by 16 vendors, three 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 miles, and six additional local and neighborhood street pavement maintenance projects totaling 133 miles 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 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* (10%)	\$1,146,000
Construction Contract	\$11,460,866
Contingency (10%)	<u>\$1,146,000</u>
<b>TOTAL PROJECT COSTS:</b>	<b>\$13,752,866</b>

\* Programmatic Project Delivery Estimate includes approximately \$458,000 (4%) for design services and \$688,000 (6%) for construction management and inspection services.

2. COST ELEMENTS OF CONTRACT:

<b>Contract Elements</b>	<b>Extension</b>
Mobilization	\$73,000
Materials and Placement	\$9,224,616
Utility Adjustments	\$1,694,100
Striping/Markings	\$469,150
<b>TOTAL AGREEMENT/CONTRACT AMOUNT</b>	<b>\$11,460,866</b>

**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.)
498	415Y	Pavement Maintenance – Measure T Bond	\$51,433,000	\$11,460,866	1016	10/18/22, 30833
<b>Total Current Funding Available</b>			<b>\$51,433,000</b>	<b>\$11,460,866</b>		

**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 23, 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

Street Name	Street From	Street To	Council District
ALVISO-MILPITAS RD	237	W END	4
ALVISO-MILPITAS RD	237	E END	4
BAYPOINTE PY	TASMAN DR E	ZANKER RD	4
BONAVENTURA DR	N 1ST ST	ZANKER RD	4
ELIZABETH ST	TRAIN TRACKS	GOLD ST	4
FORTTRAN CT	BAYTECH PY	S END	4
FORTTRAN DR	NORTECH PY	BAYTECH DR	4
GOLD ST	ELIZABETH ST	CATHERINE ST	4
GRAND BL	E END	N 1ST ST	4
HEADQUARTERS DR	N 1ST ST	N END	4
INNOVATION EB	N 1ST ST	ZANKER RD	4
INNOVATION WB	ZANKER RD	N 1ST ST	4
JUNCTION AV	TRIMBLE RD	ZANKER RD	4
LAMPLIGHTER WY	N FIRST ST	W END	4
MOFFAT ST	LIBERTY ST	E END	4
MORGRIDGE WY	TASMAN DR	E END	4
NICHOLSON LN	N 1ST ST	EL BOSQUE AV	4
NORTECH PY	N 1ST ST	E END	4
PACIFIC AV	STATE ST	N END	4
RENAISSANCE DR	TASMAN DR	VISTA MONTANA	4
RIO ROBLES	TASMAN DR	N 1ST ST	4
ROSE ORCHARD WY	HEADQUARTERS DR	N 1ST ST	4
SPRECKLES AV	STATE ST	N END	4
TONY P SANTOS ST	WILSON WY	1ST ST N	4
VISTA MONTANA	N 1ST ST	TASMAN DR	4
WILSON AV	GRAND BL	TONY P SANTOS ST	4
ALEXANDER AV	750'S/MADDEN AV	ALUM ROCK AV	5
ALEXANDER AV	MADDEN AV	750'S/MADDEN AV	5

<b>Street Name</b>	<b>Street From</b>	<b>Street To</b>	<b>Council District</b>
ALEXANDER CT	ALEXANDER AV	ALEXANDER AV	5
ALFRED WY	HOPKINS DR	CATHAY DR	5
ALPINE AV	SPRING GARDEN D	WARM SPRINGS DR	5
AVENUE A	PALA AV	W END	5
AVENUE B	CAPITOL AV N	CEDAR LN	5
BAL HARBOR WY	STORY RD	PALMVIEW WY	5
BARLETTA LN	722' W /MADELINE DR	WHITE RD N	5
BARLETTA LN	MADELINE DR	530' W/ MADELINE DR	5
BARLETTA LN	530' W /MADELINE DR	722' W/ MADELINE DR	5
BERMUDA WY	OCALA AV	BISCAYNE WY	5
BIGWOOD DR	MINIDOKA AV	N WHITE RD	5
BISCAYNE WY	CATHAY DR	KING RD S	5
CEDAR LN	GAY AV	ALUM ROCK FRONTAGE RD	5
CHALET AV	WARM SPRINGS DR	SPRING GARDEN DR	5
CHALET AV	WARM SPRINGS DR	LITTLEWOOD DR	5
CHALLENGER AV	MCKEE RD	SPRING GARDEN DR	5
CHALLENGER AV	SPRING GARDEN DR	WARM SPRINGS DR	5
CHIPLAY DR	EVERGLADE AV	CLIFFWOOD DR	5
CLAYTON RD	PINE RIDGE WY	3100' E/ PINE RIDGE WY	5
CLIFFWOOD DR	BISCAYNE WY	EVERGLADE AV	5
CORTEZ AV	ORLANDO DR	BAL HARBOR WY	5
DARWIN WY	BERMUDA WY	OCALA AV	5
DECATUR DR	BAL HARBOR WY	CATHAY DR	5
DOLLAR MOUNTAIN DR	RIVERRUN DR	N END	5
EASTSIDE DR	MCKEE RD	155' S OF MCKEE	5
EASTSIDE DR	E END	N WHITE RD	5
ELODIE WY	MADDEN AV	GEBHART AV	5



Street Name	Street From	Street To	Council District
EVERGLADE WY	CATHAY DR	KING RD S	5
GAY AV	1575'W/WHITE RD N	WHITE RD N	5
GAY AV	PALA AV	1575' W/O WHITE RD	5
GEBHART AV	ELODIE WY	N END	5
GORDON AV	KIRK AV	640'E/KIRK AV	5
GRAMERCY PL	MADDEN AV	MUELLER AV	5
KETCHUM DR	RIVERRUN DR	N END	5
LA PORTE AV	BERMUDA WY	SEAVIEW DR	5
LAPALA DR	MCKEE RD	S END	5
LITTLEWOOD DR	MINIDOKA AV	CHALET AV	5
LOYOLA DR	BERMUDA WY	CATHAY DR	5
MADDEN AV	N CAPITOL AV	ELODIE WY	5
MADLINE DR	DECKER WY	KIRK AV	5
MANDARIN WY	CATHAY DR	BAL HARBOR WY	5
MANNING AV	ALUM ROCK AV	CITY LIMIT	5
MARTEN AV	MT PLEASANT RD	505' N/ MT PLEASANT RD	5
MARTEN AV	505'N/MT PLEASANT RD	CLAYTON RD	5
MINIDOKA AV	WARM SPRINGS DR	125'S/WARM SPRINGS DR	5
MINIDOKA AV	125'S/WARM SPRINGS DR	GAY AV	5
MT VISTA DR	WHITE RD S	LOCHNER DR	5
MUELLER AV	GRAMERCY PL	N CAPITOL AV	5
NAPLES DR	BAL HARBOR WY	CATHAY DR	5
NEWTON AV	HOPKINS DR	CATHAY DR	5
ORLANDO DR	CORTEZ AV	OCALA AV	5
PALA AV	GAY AV	ALUM ROCK FRONTAGE RD	5
PALMVIEW WY	EVERGLADE AV	PALMWOOD DR	5
PALMVIEW WY	PALMWOOD DR	BISCAYNE WY	5
PALMWOOD DR	PALMVIEW WY	EVERGLADE AV	5
PLEASANT RIDGE AV	GAY AV	ALUM ROCK FRONTAGE RD	5

<b>Street Name</b>	<b>Street From</b>	<b>Street To</b>	<b>Council District</b>
RIVERRUN DR	SHOSHONE DR	PALA AV	5
ROSEMAR AV	JULIET PARK DR	JULIET AV	5
ROSEMAR AV	FLEMING AV	JULIET PARK DR	5
SHOSHONE DR	WARM SPRINGS DR	PRAIRIE LN	5
SPRING GARDEN DR	CHALET AV	CHALLENGER AV	5
SPRING GARDEN DR	CHALLENGER AV	ALPINE AV	5
SULLIVAN AV	CATHAY DR	HOPKINS DR	5
TYBALT CT	TYBALT DR	END	5
TYBALT DR	ROSEMAR AV	E END	5
VISTA AV	CITY LIMIT	MCKEE RD	5
WARM SPRINGS DR	N WHITE RD	SHOSHONE DR	5
ARNOLD AV	N END	FERRARI AV	6
FERRARI AV	W END	KEONCREST AV	6
FORRESTAL AV	SONORA AV	GISH RD W	6
FORRESTAL AV	W GISH RD	FERRARI AV	6
GISH RD W	N 1ST ST	W END	6
KEONCREST AV	FERRARI AV	SONORA AV	6
MCKENDRIE ST	SPRING ST	RUFF DR	6
ROSEMARY ST W	1ST ST N	W END	6
RUFF DR	N END	MCKENDRIE ST	6
RUFF DR	MCKENDRIE ST	HEDDING ST W	6
SAN JUAN AV	SONORA AV	FERRARI AV	6
SAN PEDRO ST N	FERRARI AV	N END	6
SANTA PAULA AV	FERRARI AV	SONORA AV	6
SONORA AV	N 1ST ST	SAN JUAN AV	6
SPRING ST	MCKENDRIE ST	N END	6
SPRING ST	HEDDING ST W	MCKENDRIE ST	6
ANDORA DR	HAYWORTH DR	FLINT AV	8
COLDWATER DR	FLINT AV	HAYWORTH DR	8
HAYWORTH DR	MARTEN AV	FLINTCREST DR	8
RUBION CT	RUBION DR	W END	8
RUBION DR	MT PLEASANT RD	MARTEN AV	8
SYLVAN DR	WHITE RD S	HAYWORTH DR	8

<b>Street Name</b>	<b>Street From</b>	<b>Street To</b>	<b>Council District</b>
SYLVAN DR	HAYWORTH DR	FLINT AV	8
TOKAY CT	TOKAY WY	S END	8
TOKAY WY	RUBION DR	MT PLEASANT RD	8