



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Ristow

SUBJECT: 2019 MAJOR STREETS
RESURFACING PROJECT #1

DATE: March 27, 2019

Approved

D. D. S. L.

Date

3/28/19

RECOMMENDATION

- (a) Approve award of a construction contract for the 2019 Major Streets Resurfacing Project #1, to the low bidder, DeSilva Gates Construction LP in the amount of \$10,976,044.
- (b) Approve a five percent contingency in the amount of \$548,802.

OUTCOME

Approval of this construction contract will resurface approximately 14 miles of streets on the Major Street Network. Approval of a 5% contingency will provide funding for unanticipated work necessary for the proper construction and completion of the project.

BACKGROUND

The Department of Transportation (DOT) annually schedules streets to be resurfaced to improve their structural integrity, ride quality, and appearance, and extend the useful life of the streets in order to defer more costly reconstruction. 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.

In 2019, DOT is planning to resurface approximately 30 miles of major streets throughout the City. To decrease the overall timeframe for completing the pavement work, the resurfacing work was divided into two separate projects of about equal mileage. The 2019 Major Streets Resurfacing Project #1 will resurface approximately 14 miles of major streets. A second project providing for the resurfacing work on the remaining 16 miles will be brought forward to City Council for award in late April.

Information provided by the City's pavement management database is used to identify candidate streets for preventive maintenance and sealing. The final list of streets to be resurfaced is established using the following criteria:

- 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 equity across the City and street network

The Attachment contains the list of streets to be resurfaced as part of this contract. The list may change if unforeseen circumstances arise or new information regarding other street-related projects becomes available. More information regarding 2019 Pavement Maintenance Program activities can be found in the informational memos distributed to City Council in December 2018 and March 2019.

ANALYSIS

Bids were opened on February 28, 2019 with the following results:

CONTRACTOR	CITY	BID AMOUNT	VARIANCE	% UNDER/OVER ENGINEER'S ESTIMATE
ENGINEER'S ESTIMATE	--	\$10,577,451.00	--	--
DeSilva Gates Construction, LP	Dublin, CA	\$10,976,044.00	\$398,593.00	3.77%
MCK Services, Inc	Concord, CA	\$11,227,503.75	\$650,052.75	6.15%
Granite Construction Company	San Jose, CA	\$11,319,092.75	\$741,641.75	7.01%

The low bid submitted by DeSilva Gates Construction, LP is \$10,976,044 and is 3.77% above the Engineer's Estimate. The Engineer's Estimate for this project is \$10,577,451. The estimate is based on bids received from similar past projects and current estimated construction prices.

The bids are higher than the engineer's estimate due to a larger than anticipated increase in asphalt prices, but the bid is considered acceptable for the work involved in the project. Staff recommends that the construction contract be awarded to DeSilva Gates Construction, LP.

Council Policy provides for a standard contingency of five percent on projects involving street resurfacing and sealing. The funding budgeted for this project is sufficient to provide for a five percent contingency of \$548,802.

Council Resolution No. 71816, establishes a policy and framework for contractor "prequalification" for public works projects. The policy was enacted to ensure that awardees of low-bid contracts in which the project estimate exceeds \$10,000,000 meet minimum qualification, responsibility and deliverability requirements. The policy also states that the director of the department responsible for bidding a project has the authority to determine if prequalification is necessary. The specifications and bid documents for this project were approved by the directors of Transportation and Public Works, and both departments deemed prequalification unnecessary for the following reasons:

- The higher cost estimate for the project is primarily a function of the number of streets being resurfaced and not due to the complexity or variation of the work. The work involved in the project is routine for licensed paving contractors.
- Historically, the pool of contractors bidding on similarly sized San José resurfacing projects have been well-qualified and successful in delivering such projects.
- DOT ensures successful, high-quality projects through industry accepted and proven specifications, as well as active inspection and project management.
- Prequalification could add unwarranted time and cost to the project.
- Prequalification may cause a decrease in bidders, including new and smaller contractors, who might otherwise bid on projects, potentially leading to less competitive bids.

Construction is scheduled to begin in May 2019 and should be completed by the end of the 2019 construction season.

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 Environment Committee. In addition to the second resurfacing contract that will be brought forward to Council for award in April, a contract that will apply a seal coat to approximately 58 miles of Major Streets will also be brought forward to Council for award in April. Projects to provide pavement maintenance on approximately 196 miles on the Local and Neighborhood Street network are planned for award in May 2019.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the San Jose Post Record. Bid packages for this construction project were made available to download for contractor organizations and builders' exchange on the City's Internet Bid Line. In addition, when the project commences, the contractor, as stated in the specifications, will provide advance notification regarding working hours, duration of project, and any appropriate schedule and lane closures to affected businesses and residents. 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. This memorandum will be posted on the City's Council Agenda website for the April 9, 2019 Council Meeting.

COORDINATION

This project, including specifications and bid documents, has been coordinated with the Department of Public Works, and this memo 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:

Project Delivery	\$1,097,604
Construction Contract	\$10,976,044
Contingency	<u>\$548,802</u>
TOTAL PROJECT COSTS:	\$12,622,450

2. SOURCE OF FUNDING:

465 – Pavement Maintenance –	
SB1 Road Repair & Accountability Act 2017	
465 – Bicycle & Pedestrian Facilities	

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

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	2018-2019 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Source of New Funding						
465	406C	Pavement Maintenance – SB1 Road Repair & Accountability Act 2017	\$18,122,000	\$10,826,044	V-884	02/12/19, 30223
465	4292	Bicycle & Pedestrian Facilities	\$2,534,000	\$150,000	V-818	12/12/19, 30223
Total Current Funding Available			\$20,656,000	\$10,976,044		

CEQA

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

/s/

JOHN RISTOW
Acting Director of Transportation

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

List of Major Streets for 2019 Resurfacing Project #1

STREET NAME	FROM	TO	COUNCIL DISTRICT
10TH ST	HEDDING ST	OLD BAYSHORE	3
BIRD AV	WILLOW ST	MALONE RD	6
CYPRESS AV	MOORPARK AV	WILLIAMS RD	1
GISH RD E	OLD BAYSHORE HY	OAKLAND RD	3,4
LUCRETIA AV	PHELAN	TULLY RD	7
NEW JERSEY AV	CURTNER AV	FOXWORTHY AV	9
NIEMAN BL	ABORN RD	DANIEL MALONEY DR	8
NIEMAN BL	DANIEL MALONEY DR	CIELLI DR	8
PHELPS AV	PAYNE AVE	CITY LIMIT (SOUTH)	1
PLUMMER AV	FOXWORTHY AV	CURTNER AV	6,9
SAN JOSE AV	MONTEREY RD	ALMADEN EX	7
VIRGINIA ST W	BIRD AV	PREVOST ST	3
WHITE RD N	MCKEE RD	MABURY RD	5
WILLIAM ST E	S 1ST ST	24TH ST S	3