



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** John Ristow

**SUBJECT:** 2019 LOCAL STREETS  
RESURFACING NORTH PROJECT

**DATE:** May 20, 2019

Approved

*D. DSYL*

Date

*5/29/19*

**COUNCIL DISTRICTS:** 3, 4, 5, & 6

## RECOMMENDATION

- (a) Reject all bids received on April 4, 2019 for the 2019 Local Streets Resurfacing North Project.
- (b) Award a construction contract for the 2019 Local Streets Resurfacing North Project (Rebid) to the low bidder, MCK Services Inc. in the amount of \$7,476,664 from bids received on May 2, 2019.
- (c) Approve a 5% contingency in the amount of \$373,833.

## OUTCOME

Award of this contract will resurface approximately 14.5 miles of streets on the Local and Neighborhood Streets 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) planned to perform \$23.8 million in maintenance on the Local and Neighborhood Streets Network in the 2018 construction season with VTA 2016 Measure B funds. Due to a legal challenge, this funding was placed in an escrow account and was inaccessible to the City until February of 2019. With the resolution of the challenge and the FY 2018-2019 allocation of \$19 million, DOT combined two-years of planned street maintenance on local and neighborhood streets, totaling approximately 196 miles, in the 2019 construction season. This work will be performed in addition to the major street maintenance plan highlighted in the December 2018 informational memorandum provided to Council.

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The 2019 Local Streets Resurfacing North Project is one of five pavement maintenance projects occurring on local and neighborhood streets during the 2019 construction season. The 2019 pavement maintenance program for these streets was provided in an information memorandum to the Council in March 2019.

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 (ADA).

In 2019, DOT is planning to resurface approximately 26.5 miles of local and neighborhood streets throughout the City. To decrease the overall timeframe for completing the pavement work, the resurfacing work will be divided into two separate projects. The contract proposed in this memorandum will resurface 14.5 miles of streets. A separate project providing additional resurfacing work on 12 miles of local and neighborhood streets was brought to the City Council for award on June 4, 2019.

The City's Local and Neighborhood Street Network is organized into 135 geographically contiguous "Pavement Maintenance Zones" (PMZs). The PMZs 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 equity of pavement maintenance across the City.

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

- Funding availability and funding use restrictions
- Streets on the Local and Neighborhood Streets Network
- Streets not affected by current or future street related projects
- Maintenance history and prescribed treatment schedules
- Community and Council feedback regarding road conditions
- Multi-year geographic equity across the City and street network

The attachment contains the list of streets to be resurfaced with the proposed contract. The list may change if unforeseen circumstances arise or new information regarding other street-related projects becomes available.

**ANALYSIS**

**ORIGINAL BID:** The construction contract for this project was originally advertised on March 13, 2019 and bids were opened on April 4, 2019. The low bid in the amount of \$7,495,670.25 was 2.9% above the original Engineer’s Estimate of \$7,287,369.00. However, the low bidder failed to submit the “Proposal to City of San Jose” and the “Non-Collusion Affidavit” forms. Therefore, the low bid is non-responsive and must be rejected.

The second low bid submitted by Granite Rock Company in the amount of \$7,989,735.40 was 9.6% above the original Engineer’s Estimate, which exceeded the funding allocated for the contract amount of this project.

In addition, after the bids were opened, City staff identified opportunities to value engineer the selected pavement treatments on each street, including milling depth and overlay thickness. Implementing changes in scope after award of a contract could have led to costly contract change orders to modify the pavement maintenance treatment applied to each street. Therefore, staff posted a Notice of Intent to Reject All Bids on BidSync on April 9, 2019 and recommends Council reject all bids associated with this procurement.

**REBID:** The project was re-advertised on April 17, 2019 and rebids were opened on May 2, 2019 with the following results:

CONTRACTOR	CITY	BID AMOUNT	VARIANCE	% UNDER/OVER ENGINEER'S ESTIMATE
<i>ENGINEER'S ESTIMATE</i>	--	\$7,522,089	--	--
MCK Services, Inc.	Concord, CA	\$7,476,664	\$(45,425)	-0.60%
O’Grady Paving, Inc.	Mountain View, CA	\$7,562,791	\$86,127	0.54%
Granite Construction Company	Santa Clara, CA	\$7,839,988	\$317,899	4.23%
Granite Rock Company	San Jose, CA	\$7,868,632	\$346,543	4.61%
DeSilva Gates Construction	Dublin, CA	\$7,893,893	\$371,804	4.94%

The low bid submitted by MCK Services Inc. in the amount of \$7,476,664 is 0.6% under the Engineer's Estimate of \$7,522,089 for this project. The estimate is based on bids received from similar past projects and current estimated construction prices and reflects the addition of three streets to the project. The bid is considered acceptable for the work involved in the project and staff recommends that the construction contract be awarded to MCK Services, Inc.

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 \$373,833.

Construction is scheduled to begin in July 2019 with a target completion date of October 2019.

### **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 and the City Council. No further City Council action is necessary.

### **PUBLIC OUTREACH**

The project was listed on Bidsync ([www.bidsync.com](http://www.bidsync.com)) and advertised in the San José Post Record. The complete bid package and project information for DOT construction projects are available on BidSync for interested contractors, contractor organization and builders' exchange. 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 will be used stating the schedule dates and time for work to occur on the street. This memorandum will be posted on the City's Council Agenda website for the June 11, 2019 Council Meeting.

### **COORDINATION**

This project, including specifications and bid documents, has been coordinated with the Department of Public Works, and 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 \$747,666
  - Construction Contract \$7,476,664
  - Contingency \$373,833
  
  - TOTAL PROJECT COSTS:** **\$8,598,163**
  
2. SOURCE OF FUNDING:
  - 465 – Pavement Maintenance –  
VTA 2016 Measure B (Memo Fund 486)
  
  - 465 – Pavement Maintenance –  
VTA Measure B VRF (Memo Fund 309)
  
3. FISCAL IMPACT: This project will have no net operating and maintenance costs to the General Fund.

**BUDGET REFERENCE**

The following table 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 Budget Page	Last Budget Action (Date, Ord. No.)
465 (Memo Fund 486)	403Q	Pavement Maintenance - VTA 2016 Measure B	\$42,750,000	\$6,816,664	V-887	06/19/2018, 30124
465 (Memo fund 309)	7440	Pavement Maintenance – VTA Measure B VRF	\$10,222,603	\$660,000	V-820	02/12/2019, 30223
<b>Totals</b>			<b>\$52,972,603</b>	<b>\$7,476,664</b>		

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**CEQA**

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

/s/  
JOHN RISTOW  
Director of Transportation

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

# ATTACHMENT

## List of Streets

CD	Street Name	Start	End
3	5TH ST N	E EMPIRE ST	E JACKSON ST
3	5TH ST N	E JACKSON ST	E TAYLOR ST
3	8TH ST N	SANTA CLARA ST E	ST JOHN ST E
3	AUTUMN CT	AUTUMN ST N	E END
3	CLAYTON AV	N SAN PEDRO ST	N 1ST ST
3	EMORY ST	MYRTLE ST	STOCKTON AV
3	GEORGE ST	N 1ST ST	SAN PEDRO ST N
3	GEORGE ST	SAN PEDRO ST N	W END
3	HOBSON ST	SAN PEDRO ST N	1ST ST N
3	MT HAMILTON VIEW DR	E END	W END
3	VERMONT ST	MYRTLE ST	W END
3	VERMONT ST	STOCKTON AV	CHESTNUT ST
3	WACO ST	NEWHALL ST	HAMLIN ST
4	DANBY AV	CRATER LN	TULARE DR
4	FALMOUTH ST	JAPPAUL LN	SIERRA CREEK WY
4	FUJIYAMA LN	SIERRA RD	ZION LN
4	GEHRIG AV	SIERRA RD	S END
4	INSPIRATION DR	PIEDMONT RD	STONE CREEK DR
4	MARDAN DR	KIMLEE DR	550/ N KIMLEE DR
4	MAUNA KEA LN	SIERRA RD	RUSKIN DR
4	MESSINA DR	N END	HOSTETTER RD
4	QUINCY DR	ROCKPORT AV	SIERRA RD
4	ROBALO CT	BERRYESSA CT	N END
4	ROCKPORT AV	PIEDMONT RD	QUINCY DR
4	SHAFFER DR	RUSKIN DR	MATTOS AV
4	SHRIVER CT	SHRIVER DR	E END
4	SHRIVER DR	SABAL DR	BERRYESSA RD
4	STEPHANIE CT	MESSINA DR	E END
4	TURLOCK LN	CRATER LN	TULARE DR
4	VESUVIUS LN	ZION LN	FUJIYAMA LN
4	VICTOR CT	MESSINA DR	E END
4	ZION LN	FUJIYAMA LN	SIERRA RD
5	31ST ST N	MT HAMILTON VIEW DR	S END
5	32ND ST N	S END	N END
5	BEVERLY BL	KING RD N	E END
5	CLAREMONT AV	MAHONEY AV	CITY LIMIT(BARRICADE)
5	DORIS AV	WILBUR AV	WESTBORO DR

### List of Streets (Cont.)

CD	Street Name	Start	End
5	FLORENCE AV	NANCY LN	345' W/O WHITE RD
5	HILLS DR E	LYNDALE AV	WHITE RD S
5	JOSE FIGUERES AV	MCKEE RD	ALEXIAN DR
5	LUDLOW WY	MCKEE RD	N END
5	LUZ AV	JACKSON AV N	W END
5	LYNDALE AV	ROSE AV	FLORENCE AV
5	LYNDALE AV	FLORENCE AV	S END
5	MAGELLAN AV	ST JAMES ST E	BEVERLY BL
5	MELROSE AV	BEVERLY BL	N END
5	NANCY LN	FLORENCE AV	WESTBORO DR
5	ST JAMES ST E	31ST ST N	33RD ST N
5	ST JAMES ST E	MCDONALD AV	KING RD N
5	ST JAMES ST E	E END	BALBOA AV
5	ST JOHN ST E	31ST ST N	W END
5	ST JOHN ST E	31ST ST N	32ND ST N
5	SUNSET AV	ALUM ROCK AV	N END
5	WESTBORO DR	97' W/O NANCY LN (BARRICADE)	735' W/O WHITE RD
5	WILSHIRE BL	KING RD N	MELROSE ST
5	WILSHIRE BL	MELROSE ST	MAGELLAN AV
6	BROADLEAF LN	SUNNY VISTA DR	CHERRYSTONE DR
6	BROADLEAF LN	CHERRYSTONE DR	PEACHTREE LN
6	BROADLEAF LN	PEACHTREE LN	WALNUT GROVE AV
6	BROADLEAF LN	WALNUT GROVE AV	WOODLAND AV
6	CHAPMAN ST	S END	NEWHALL
6	CHAPMAN ST	NEWHALL	MORSE ST
6	CHAPMAN ST	IDAHO ST	MORSE ST
6	CLEAVES AV	PARK AV	S END
6	DANA AV	WALNUT GROVE AV	S END
6	ELM ST	TAYLOR ST W	EMORY ST
6	ELM ST	EMORY ST	UNIVERSITY AV
6	GARLAND AV	KEEBLE AV S	RACE ST
6	GRAND AV	SAN CARLOS ST W	545 N/OF SAN CARLOS ST W
6	GRAND AV	PARK AV	320' S/O PARK AV
6	GREENWOOD AV	NEWHALL ST	S END
6	HARDING AV	HOOVER AV	STOCKTON AV
6	HOOVER AV	PERSHING AV	SCHIELE AV
6	IDAHO ST	THE ALAMEDA	MORSE ST
6	IDAHO ST	CHAPMAN ST	MORSE ST
6	IDAHO ST	CHAPMAN ST	CITY LIMIT
6	KENWOOD AV	BROADLEAF LN	N MONROE ST
6	LAUREL ST	EMORY ST	ASBURY AV



### List of Streets (Cont.)

CD	Street Name	Start	End
6	LENZEN AV	STOCKTON AV	THE ALAMEDA
6	LINDEN DR	WALNUT GROVE AV	HEATHERDALE AV
6	LINDEN DR	CITY LIMIT	HEATHERDALE AV
6	MORRISON AV S	PARK AV	S END
6	MORSE ST	NEWHALL ST	S END
6	MORSE ST	NEWHALL ST	IDAHO ST
6	MORSE ST	IDAHO ST	366' W/ IDAHO ST
6	PACIFIC AV	SUNOL ST	W END
6	PARKINSON CT	LINCOLN AV	W END
6	PERSHING AV	THE ALAMEDA	HOOVER AV
6	PERSHING AV	HOOVER AV	STOCKTON AV
6	SCHIELE AV	THE ALAMEDA	STOCKTON AV
6	SUNOL ST	PARK AV	SAN CARLOS ST
6	WALNUT GROVE AV	N MONROE ST	PEACHTREE LN
6	WALNUT GROVE AV	CITY LIMIT AT 275'N/DANA AV	S END
6	WOODLAND AV	N MONROE ST	TAMARACK AV