



COUNCIL AGENDA: 5/19/2020

FILE: 20-550

ITEM: 2.15

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow

**SUBJECT:** 2020 MAJOR STREETS  
SEALING PROJECT

**DATE:** May 4, 2020

Approved

Date

5/8/2020

**COUNCIL DISTRICTS:** 2, 3, 5, 7, 8, 10

## **RECOMMENDATION**

- (a) Approve award of a construction contract for the 2020 Major Streets Sealing Project, to the low bidder, VSS International, Inc. in the amount of \$2,781,120.
- (b) Approve an approximate five percent contingency in the amount of \$139,100.

## **OUTCOME**

Approval of this construction contract will surface seal approximately 25 miles of streets on the Major Street Network. Approval of a five percent contingency will provide funding for unanticipated work necessary for the proper construction and completion of the project.

## **BACKGROUND**

The Major Street Network consists of 944 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 surface sealed as a preventative maintenance measure to extend their useful life and reduce long-term maintenance costs to the City. The product to be used for surface-sealing is called "microsurfacing", which is a thin layer of asphalt emulsion blended with rock approximately 3/8 an inch in depth.

In 2020, DOT is planning to surface seal approximately 25 miles of Major Streets throughout the City. The 2020 Major Streets Sealing Project is one of six pavement maintenance projects occurring on the Major Streets Network during the 2020 construction season and is the subject of this memorandum.

Surface sealing is typically performed in two separate phases: preparation and a final surface sealing application. The preparation phase includes minor concrete repairs as well as ADA curb ramp installations and retrofits prior to the commencement of the pavement treatment. Streets to be surface sealed will also require the removal and replacement of any structurally failed areas of pavement. The final surface treatment is applied to the entire street after preparation phases are complete and is part of this project.

To decrease the overall timeframe for completing the preparation work, DOT is managing two separate projects which were awarded by Council in March: one project for concrete and ADA curb ramp improvements and one project for the removal and replacement of failed asphalt pavement areas where required.

DOT utilized information provided by the City's Pavement Management System to generate a candidate list of streets for pavement maintenance. The candidate list was then thoroughly analyzed by staff using the following criteria to create the final list of streets:

- 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 spread across the City and street network

The attachment to this memo contains the list of streets to be surface sealed. The list may change if unforeseen circumstances arise or new information regarding other street-related projects becomes available.

## **ANALYSIS**

Bids were opened on March 5, 2020 with the following results:

CONTRACTOR	CITY	BID AMOUNT	VARIANCE	% UNDER/OVER ENGINEER'S ESTIMATE
VSS International, Inc.	West Sacramento, CA	\$2,781,120.00	-\$2,943,645.00	-51.4%
Graham Contractors, Inc.	San Jose, CA	\$3,265,900.00	-\$2,458,865.00	-43.0%
Pavement Coatings Co.	Sacramento, CA	\$3,394,290.00	-\$2,330,475.00	-40.7%
<i>ENGINEER'S ESTIMATE</i>	--	<i>\$5,724,765.00</i>	--	--

The low bid submitted by VSS International, Inc. is \$2,781,120 and is 51.4% below the Engineer's Estimate. The Engineer's Estimate for this project is \$5,724,765.00. The estimate is based on bids received from similar past projects and current estimated construction prices.

The bids are lower than the engineer's estimate largely due to an unexpected decrease in cost for the installation of roadway striping and markings. Roadway striping and markings bid items for the low bidder VSS International, Inc. were collectively 77% under the engineer's estimate, while pavement related items were 36% below estimate. In comparison, previous bids in 2018 and 2019, the low bidder's cost for roadway striping and marking bid items were 114% and 34% over the engineer's estimate respectively.

The emergence of a new striping subcontractor is likely a primary factor of the price decreases on striping and marking items. These market conditions are reflected in all the project bids, as all three bidders used the same striping subcontractor and submitted similar bids for all striping line items. Staff reached out to the low bidder to verify and subcontractor's performance and experience of sub-contractor was satisfactory. Staff recommends that the construction contract be awarded to the lowest bidder, VSS International, Inc.

San Jose Municipal Code Section 27.04.050 provides that the contingency for all public works contracts (except those involving the renovation of a building or buildings) cannot exceed ten percent of the total contract amount. Staff recommends a five percent contingency, which should be sufficient to account for unforeseen conditions that might arise in the excavation, removal and replacement of failed concrete areas.

Construction is scheduled to begin in July 2020 and be completed by October 2020.

### Project Labor Agreement Applicability

A project labor agreement (PLA) is not applicable to this project as the engineer's estimate is under three million dollars. Additionally, this project meets the following exemption: More than 50% of the total cumulative engineer's estimate for the project is for street maintenance.

### Local and Small Business Outreach

This project does not have a preference for local and/or small businesses and the recommended contractor did not meet the requirements for local and small business. However, in order to facilitate local and small business participation on this project, the project engineers separated the following items into minor projects: ADA curb ramps, concrete repair, and tree trimming in order to facilitate the ability for more local/small contractors to bid on these projects.

### CONCLUSION

Based on Staff's evaluation of the bids, the low bid is considered acceptable and staff recommends awarding the construction contract for the 2020 Major Streets Sealing Project to VSS International, Inc.

### 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. In addition to the project discussed in this memo, two additional projects using One Bay Area Grant (OBAG) funding for resurfacing on 30 miles of Major Streets are tentatively scheduled for Council action in summer 2020, pending federal and state approval.

### CLIMATE SMART SAN JOSE

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

### PUBLIC OUTREACH

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. 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 28, 2020 Council Meeting.

### **COORDINATION**

This project has been coordinated with the Department of Public Works and this memo has been coordinated with the Department of Planning, Building and Code Enforcement, 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	\$278,112.00
Construction Contract	\$2,781,120.00
Contingency	\$139,100.00
<b>TOTAL PROJECT COSTS:</b>	<b>\$3,198,332.00</b>
  
2. SOURCE OF FUNDING: 480 – Pavement Maintenance –  
SB1 Road Repair & Accountability Act 2017
  
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	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
<b>Source of New Funding</b>						
480	406C	Pavement Maintenance SB1 Road & Repair Accountability Act 2017	\$22,593,137	\$2,781,120	V-854	10/22/19, 30325
<b>Total Current Funding Available</b>			<b>\$22,593,137</b>	<b>\$2,781,120</b>		

### **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**

<b>2020 MAJOR STREETS SEALING PROJECT</b>			
<b>STREET NAME</b>	<b>FROM</b>	<b>TO</b>	<b>COUNCI DISTRICT</b>
10TH ST	HEDDING ST	HWY 280	3
11TH ST	E HEDDING ST	HWY 280	3
COPPERFIELD DR	CAPITOL EXPY	VISTAPARK DR	10
DELTA RD	PINOT BLANC WY	MACKIN WOODS LN	8
MCLAUGHLIN AV	CAPITOL EXPY	STORY RD	7
SAN ANTONIO ST E	17TH ST S	JACKSON AV S	3, 5
SENER RD S	STORY RD	SINGLETON LN	3, 7
ST JOHN ST	MARKET ST	2ND ST	3
TULLY RD	RUBY AV	WHITE RD	8
VISTAPARK DR	HILLSDALE AV	CAPITOL EXPY	10