



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow

**SUBJECT: DELEGATION OF AUTHORITY  
TO AWARD PAVEMENT  
CONSTRUCTION CONTRACTS**

**DATE:** June 08, 2020

Approved

Date

6/12/2020

## **RECOMMENDATION**

Adopt a resolution authorizing the Director of Transportation to do the following:

- (a) Award and execute the 8547 – OBAG2 (North) San Jose Pavement Maintenance Project, Federal Project No. STPL 5005(163), in a total amount not to exceed \$12,800,000 and establish a construction contingency of up to 5% of the contract amount, not to exceed \$640,000; and
- (b) Award and execute the 8549 – OBAG2 (South) San Jose Pavement Maintenance Project, Federal Project No. STPL 5005(163), in a total amount not to exceed \$11,700,000 and establish a construction contingency of up to 5% of the contract amount, not to exceed \$585,000; and
- (c) Award and execute 9459 - 2020-2022 Local Streets Resurfacing Project (Multi-Year), in a total amount during the initial term not to exceed \$10,000,000, establish a construction contingency of up to 10% of the contract amount, not to exceed \$1,000,000, and do the following with regard to this contract:
  - (i) Exercise 2 separate options, with each option being for a period of one year for a total amount not to exceed \$10,000,000, contingent on the appropriation of sufficient funds; and
  - (ii) Establish a construction contingency for any option year of up to 10%, contingent on the appropriation of sufficient funds; and
- (d) As to each of the above construction contracts, decide any timely bid protest(s), make the City's final determination as to the lowest responsive bidder that is responsible, or reject all bids and rebid the projects.

## **OUTCOME**

Approval of this resolution will enable the pavement construction contracts to be implemented with scheduled construction to begin in August 2020. The first two construction contracts will resurface 30 miles of streets on the Major Street Network. The third construction contract is a multi-year contract that will resurface 20 miles of streets on the Local and Neighborhood Street Network during its initial one-year term. It would resurface approximately the same miles of streets on the Local and Neighborhood Street Network during each of two one-year options. Approval of contingencies will provide funding for unanticipated work necessary for the proper construction and completion of each project.

## **BACKGROUND**

The Department of Transportation (DOT) is planning to maintain 205 miles during the 2020 construction season. Of that total, DOT will resurface approximately 72 miles of streets on the Local and Neighborhood Street Network and 42 miles of streets on the Major Street Network. During the 2020 Pavement Season, the three contracts proposed for Director's Award in this memorandum will resurface 20 miles on the Local and Neighborhood Street Network and 30 miles on the Major Street Network. 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).

Paving operations typically occur in the late spring and summer because cooler temperatures prevent proper curing of asphalt. DOT typically brings forward paving contracts for Council award in the spring and early summer; however, the timing of the bid process for these three contracts will not be complete in time for this to occur. Delegating authority to allow the award of these three projects during July will enable the pavement work to occur during the 2020 Pavement Season.

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

## **ANALYSIS**

### ***OBAG2 San Jose Pavement Maintenance Projects***

The OBAG2 (North) and OBAG2 (South) pavement maintenance projects are using Federal One Bay Area Grant (OBAG) funding, which is administered by Caltrans, to resurface a combined 30 miles of major streets. Caltrans provided DOT with authorization to proceed with procuring these two contracts on May 14, 2020 and staff advertised the projects on May 27, 2020. Bids

will be opened in June with the award of the contracts proposed to occur in July. Construction is anticipated to commence in August with completion of the pavement work by November, weather permitting.

***2020-2022 Local Streets Resurfacing Project (Multi-Year)***

This project is using Measure T funds to resurface approximately 20 miles of City's residential streets in the initial term year (2020) with the option to extend the contract for up to two one-year option periods (2021 and 2022 Pavement seasons). DOT typically awards one-year contracts but is piloting this procurement method because during the 2019 construction season, bids were consistently higher than anticipated due to larger than expected asphalt price and labor costs increases. Acting upon a request of the Mayor, DOT worked with the Department of Public Works and City Attorney's Office to develop a multi-year procurement that might help mitigate large annual price increases. DOT staff also worked with jurisdictions throughout the State of California to determine best practices around multi-year contracts. Staff will assess whether this pilot procurement method results in lower costs and more efficient delivery during the 2020 construction season to determine the action plan for 2021 projects.

The scope of work performed during an option year will be substantially the same as the initial term year, except the work will be performed on different streets. The contractor will need to provide appropriate bonds and insurance during an option year. In addition, the contract provides for price increases related to prevailing wage requirements and the cost of certain materials. Cost adjustments for materials are linked to increases and decreases in certain established indices.

Bids will be opened in June, with award of the contract proposed to occur in July. Construction is anticipated to commence in August with project completion by November, weather permitting, for the initial term. For any option years, construction is anticipated to start in March and complete by July of the respective years. DOT is recommending that the Council delegate authority to the Director of DOT to exercise the options if the Director determines that doing so is more economically beneficial to the City than procuring a new contract for the work.

As indicated above, the proposed delegation of authority will ensure that the pavement work on these contracts occurs during the 2020 Pavement Season, prior to cooler winter temperatures. This delegation will include the authority for the Director of Transportation to hear and decide any bid protests, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the projects.

San Jose Municipal Code Section 7.04.050 provides that the contingency for all public works contracts (except those involving the renovation of a building or buildings) cannot exceed 10% of the total contract amount. Staff recommends an approximate 5% contingency for the OBAG2 projects and a 10% contingency for the Local Streets project, which should be sufficient to account for unforeseen conditions that might arise in the excavation, removal and replacement of

failed concrete areas. Staff recommends a 10% contingency for the Local Streets project to cover potential variability in construction prices in 2021.

### **CONCLUSION**

Approval of this resolution will enable the contracts to be implemented with scheduled construction to begin in August 2020.

### **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.

### **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, these projects will be 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 June 23, 2020 Council Meeting.

### **COORDINATION**

This memorandum has been coordinated with the Department of Public Works, 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. ESTIMATED COST OF PROJECTS - The combined estimated costs of the three pavement projects are:

Programmatic Project Delivery Estimate	\$3,450,000.00
Construction Contracts	\$34,500,000.00
Contingency	<u>\$2,225,000.00</u>
<b>TOTAL PROJECT COSTS:</b>	<b>\$39,530,000.00</b>

2. SOURCE OF FUNDING:
- 465 – Pavement Maintenance  
Federal (OBAG2)
  
  - 480 – Pavement Maintenance  
SB1 Road Repair & Accountability Act 2017
  
  - 498 – Pavement Maintenance  
Measure T Bond
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 awards, 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>						
465	413U	Pavement Maintenance – Federal (OBAG2)	\$17,222,000	\$17,222,000	V-823	6/18/2019, 30286
480	406C	SB1 Road & Repair Accountability Act 2017	\$22,593,137	\$7,278,000	V-854	10/22/19, 30325
498	415Y	Pavement Maintenance – Measure T Bond	\$37,500,000	\$10,000,000	V-824	6/18/2019, 30286
<b>Total Current Funding Available</b>			<b>\$77,315,137</b>	<b>\$34,500,000</b>		

**CEQA**

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>OBAG2 (NORTH) SAN JOSE PAVEMENT MAINTENANCE PROJECT</b>			
<b>STREET NAME</b>	<b>FROM</b>	<b>TO</b>	<b>COUNCIL DISTRICT</b>
FRUITDALE AV	BASCOM AV	SOUTHWEST EX	6
NAGLEE AV	BASCOM AV	THE ALAMEDA	6
OTOOLE AV	MONTAGUE EX	BROKAW RD	4
PIEDMONT RD	LANDESS AV	PENITENCIA CREEK	4
ZANKER RD	BERING DR/REMUDA LN	MONTAGUE EX	3, 4

<b>OBAG2 (SOUTH) SAN JOSE PAVEMENT MAINTENANCE PROJECT</b>			
<b>STREET NAME</b>	<b>FROM</b>	<b>TO</b>	<b>COUNCIL DISTRICT</b>
CHERRY AV	ALMADEN EX	BRANHAM LN	9
LEAN AV	BLOSSOM HILL RD	CHYNOWETH AV	2
MERIDIAN AV	CAMDEN AV	BLOSSOM HILL RD	10
PINE AV	HICKS AV	BIRD AV	6
SANTA TERESA BL	BERNAL RD	~1000' N/O LAGUNA AV (CITY LIMIT)	2

<b>2020-2022 LOCAL STREETS RESURFACING PROJECT (MULTI-YEAR)</b>			
<b>STREET NAME</b>	<b>FROM</b>	<b>TO</b>	<b>COUNCIL DISTRICT</b>
ADAIR WY	MARR LN	710 N/OF MARR LN	9
ADONIS WY	ELESTER DR	W END	9
APPLEY WY	REDSTONE DR	W END	9
BEL ESTOS DR	ROSSWOOD DR	CARLTON AV	9
BLOSSOM CREST WY	BLOSSOM WOOD DR	BLOSSOM DALE DR	9
BLOSSOM DALE DR	BLOSSOM VALLEY DR	BLOSSOM CREST WY	9
BLOSSOM DALE DR	BLOSSOM CREST	BLOSSOM HILL RD	9
BLOSSOM TREE LN	BLOSSOM CREST WY	BLOSSOM VALLEY DR	9
BLOSSOM VALLEY DR	CITY LIMIT	CITY LIMIT	9
BLOSSOM VISTA AV	BLOSSOM CREST WY	BLOSSOM VALLEY DR	9
BLOSSOM WOOD DR	BLOSSOM VALLEY DR	BLOSSOM CREST WY	9

2020-2022 LOCAL STREETS RESURFACING PROJECT (MULTI-YEAR)			
STREET NAME	FROM	TO	COUNCIL DISTRICT
BREWSTER AV	CARLTON AV	W END	9
BREWSTER AV	SAMARITAN DR	CARLTON AV	9
CHARLOTTE AV	SAMARITAN DR	CARLTON AV	9
CHARLOTTE AV	CARLTON AV	S END	9
COOPER AV	SAMARITAN DR	CARLTON AV	9
COOPER AV	CARLTON AV	DICKENS AV	9
CORONET DR	TAFT DR	CITY LIMIT	9
DICKENS AV	SAMARITAN DR	CARLTON AV	9
DICKENS AV	CARLTON AV	COOPER AV	9
DOLPHIN DR	REDSTONE DR	CITY LIMIT	9
ESTHER DR	CARLTON AV	ROSSWOOD DR	9
ESTHER DR	SAMARITAN DR	CARLTON AV	9
GREY CT	KUNKEL DR	W END	9
KEENE DR	CORONET DR	WESTCHESTER DR	9
KUNKEL DR	CORONET DR	WESTCHESTER DR	9
LOST OAKS DR	ELESTER DR	KINGHURST DR	9
LOST OAKS DR	NATIONAL AV	KINGHURST DR	9
MARR LN	REDSTONE DR	ELESTER DR	9
MARR LN	ELESTER DR	ADAIR WY	9
REDSTONE DR	ADONIS WY	LOS GATOS ALMADEN RD	9
ROSSWOOD DR	LOS GATOS ALMADEN RD	UNION AV	9
SUFONET DR	W END	BREWSTER AV	9
SUFONET DR	ESTHER DR	BREWSTER AV	9
TAFT DR	LOS GATOS ALMADEN RD	BLOSSOM VALLEY DR	9
TAFT DR	BLOSSOM VALLEY DR	BLOSSOM CREST WY	9
WESTCHESTER DR	TAFT DR	CITY LIMIT	9
WILMA WY	CARLTON AV	WINTON WY	9
WINTON WY	CARLTON AV	WILMA WY	9
ALAN AV	CORALEE DR	BRENDA AV	9
AMBY DR	CLOVIS AV	RUDY DR	9
BEGONIA DR	CLOVIS AV	BLOSSOM HILL RD	9
BRENDA AV	RAFTON DR	MERRILL DR	9
CLOVIS AV	HARWOOD RD	CAMDEN AV	9
DALTON DR	VINTNER WY	RAFTON DR	9
DALTON DR	RAFTON DR	ALAN AV	9
DRYSDALE DR	BLOSSOM HILL RD	CLOVIS AV	9
DRYSDALE DR	CLOVIS AV	MERRILL DR	9
FERN DR	KEVIN DR	CLOVIS AV	9
GATTUCIO DR	RAFTON DR	MICHON DR	9
KEVIN DR	LAUREN DR	DRYSDALE DR	9
KEVIN DR	DRYSDALE DR	FERN DR	9
LAUREN DR	CLOVIS AV	KEVIN DR	9

2020-2022 LOCAL STREETS RESURFACING PROJECT (MULTI-YEAR)			
STREET NAME	FROM	TO	COUNCIL DISTRICT
MERRILL DR	CAMDEN AV	HARWOOD RD	9
MILLIGAN DR	MYRA DR	CLOVIS AV	9
MIRASSOU DR	RAFTON DR	ALAN AV	9
MIRASSOU DR	ALAN AV	MERRILL DR	9
MUIR DR	CLOVIS AV	MYRA DR	9
MYRA DR	MUIR DR	BEGONIA DR	9
MYRA DR	BEGONIA DR	MILLIGAN DR	9
NORA WY	ALAN AV	CAMDEN AV	9
RAFTON DR	LENORA AV	DALTON DR	9
RAFTON DR	DALTON DR	MICHON DR	9
RAFTON DR	MICHON DR	CORALEE DR	9
RUDY DR	CLOVIS AV	BLOSSOM HILL RD	9
VINTNER WY	HARWOOD RD	DALTON PL	9
AMBOY DR	NARVAEZ AV	CHILES DR	10
ARUNDEL CT	NARVAEZ AV	S END	10
AVERY CT	CALPELLA DR	N END	10
BANTA CT	CALIDA DR	W END	10
BARRON PARK CT	BARRON PARK DR	S END	10
BARRON PARK DR	HYDE PARK DR	CHYNOWETH AV	10
BARRON PARK DR	CHYNOWETH AV	GAUNDABERT LN	10
BIGGS CT	CALIDA DR	W END	10
BIRKENSHAW PL	BRANHAM LN	S END	10
BIRMINGHAM CT	BIRMINGHAM DR	E END	10
BIRMINGHAM DR	WELLINGTON PARK	HYDE PARK DR	10
BLAIRBURRY WY	CAHALAN AV	DUNSBURRY WY	10
BRYCE DR	PLAYA DEL REY	STARCREST DR	10
CADBURRY CT	CAHALAN AV	W END	10
CAHALAN AV	BLOSSOM HILL RD	LYONBURRY PL	10
CAHALAN AV	LYONBURRY PL	BLAIRBURRY WY	10
CALIDA DR	CALPELLA DR	AMBOY DR	10
CALPELLA DR	CHILES CT	NARVAEZ AV	10
CHESBORO AV	BLOSSOM HILL RD	SOUTHCREST WY	10
CHURCHILL PARK DR	BARRON PARK DR	CHYNOWETH AV	10
CHURCHILL PARK DR	BARRON PARK DR	CHYNOWETH AV	10
DEEP PURPLE WY	STARDUST LN	GLENBURRY WY	10
DEVON PARK CT	CHYNOWETH AV	S END	10
DUNSBURRY CT	DUNSBURRY WY	S END	10
DUNSBURRY WY	GLENBURRY WY	DUNSBURRY CT	10
GAUNDABERT LN	CHYNOWETH AV	RUTHERGLEN PL	10
GLENBURRY WY	520'W/STARCREST DR	THORNWOOD DR	10
GLENBURRY WY	W END	BLAIRBURRY WY	10
HORNBLOWER CT	NEW COMPTON DR	S END	10
HYDE PARK DR	195' W/OF BIRMINGHAM DR	CHYNOWETH AV	10

2020-2022 LOCAL STREETS RESURFACING PROJECT (MULTI-YEAR)			
STREET NAME	FROM	TO	COUNCIL DISTRICT
HYDE PARK DR	CHYNOWETH AV	GAUNDABERT LN	10
IVANHOE CT	BARRON PARK DR	S END	10
LOCHBURRY CT	GLENBURRY WY	W END	10
LYONBURRY PL	CAHALAN AV	S END	10
MAPLECREST CT	SHADOWCREST WY	E END	10
MASSACHUSETTS DR	NEW COMPTON DR	CHYNOWETH AV	10
NARVAEZ AV	BRANHAM LN	AMBOY DR	10
NARVAEZ AV	AMBOY DR	S END	10
NEW COMPTON CT	NEW COMPTON DR	S END	10
NEW COMPTON DR	BRANHAM LN	HYDE PARK DR	10
NEW DORSET CT	NEW COMPTON DR	W END	10
NEW IRELAND CT	NEW COMPTON DR	W END	10
NEW RAMSEY CT	NEW COMPTON DR	S END	10
PLAYA DEL REY	REGENT PARK DR	N END	10
PURE CT	CHYNOWETH AV	S END	10
RUTHERGLEN PL	GAUNDABERT LN	S END	10
SHADOWCREST WY	CRESBORO AV	BLOSSOM HILL RD	10
SHIRECREST CT	CHESBORO AV	S END	10
SIDLAW CT	BRANHAM LN	S END	10
SOUTHWICK CT	CHYNOWETH AV	S END	10
STARCREST DR	GLENBURRY WY	WEDGEWOOD DR	10
STARDUST LN	PLAYA DEL REY	MOONGLOW CT	10
SUSSEX PARK CT	CHYNOWETH AV	S END	10
TARRYTOWN CT	NEW COMPTON DR	W END	10
TOTTENHAM CT	CHYNOWETH AV	N END	10
WEDGEWOOD CT	WEDGEWOOD DR	N END	10
WEDGEWOOD CT B	WEDGEWOOD DR	N END	10
WEDGEWOOD DR	THORNWOOD DR	PLAYA DEL REY	10
WELLINGTON PARK CT	WELLINGTON PARK DR	END	10
WELLINGTON PARK DR	HYDE PARK DR	S END	10
WOODHURST LN	WEDGEWOOD DR	GLENBURRY WY	10