



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow

**SUBJECT:** 2021 MONTEREY ROAD  
RESURFACING PROJECT

**DATE:** January 5, 2021

Approved

Date

**1/13/2021**

**COUNCIL DISTRICT: 2**

## **RECOMMENDATION**

- (a) Approve award of a construction contract for the 2021 Monterey Road Resurfacing Project, to the low bidder, MCK Services, Inc. in the amount of \$6,797,755.70.
- (b) Approve an approximate 5% contingency in the amount of \$340,000.

## **OUTCOME**

Approval of this construction contract will rehabilitate approximately 17 miles of streets on the Major Street Network. Approval of an approximate 5% 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 resurfaced to improve their structural integrity, ride quality, appearance, and extend the useful life of the streets in order to defer more costly reconstruction. The 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 2021, DOT is planning to perform pavement maintenance on approximately 80 miles of Major Streets throughout the City. The 2021 Monterey Road Resurfacing Project is the first of six Major Streets pavement maintenance projects planned for Council award during the 2021

construction season and is the subject of this memorandum. The project limits on Monterey Rd are from Metcalf Dr to the City Limit which is approximately 355' north of Tilton Av.

The 2021 Monterey Road Resurfacing Project scope includes removing the existing asphalt concrete surface that is in poor condition, performing cold in-place recycling of the top 4" of existing asphalt, placing a new layer of asphalt concrete pavement, and installing new striping and markings.

**ANALYSIS**

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

<b>CONTRACTOR</b>	<b>CITY</b>	<b>BID AMOUNT</b>	<b>VARIANCE</b>	<b>% UNDER/OVER ENGINEER'S ESTIMATE</b>
MCK Services, Inc.	Concord, CA	\$6,797,755.70	-\$923,081.80	-11.96%
Granite Construction, Co.	Santa Clara, CA	\$6,917,084.50	-\$803,753.00	-10.41%
DeSilva Gates Construction LP	Dublin, CA	\$7,107,107.00	-\$613,730.50	-7.95%
Teichert Construction	Pleasanton, CA	\$7,172,565.00	-\$548,272.50	-7.10%
Granite Rock, Co.	San Jose, CA	\$7,178,324.10	-\$542,513.40	-7.03%
O.C. Jones & Sons, Inc.	Berkeley, CA	\$7,179,438.50	-\$541,399.00	-7.01%
<i>ENGINEER'S ESTIMATE</i>	--	\$7,720,837.50	--	--
O'Grady Paving, Inc.	Mountain View, CA	\$8,195,219.80	\$474,382.30	6.14%

The low bid submitted by MCK Services, Inc. is \$6,797,755.70 and is 11.96% below the Engineer's Estimate. The Engineer's Estimate for this project is \$7,720,837.50. The estimate is based on bids received from similar past projects and current estimated construction prices. The bid is considered acceptable for the work involved in the project. Staff recommends that the construction contract be awarded to MCK Services, Inc.

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 without City Council approval. Staff recommends an approximate 5% contingency for this project to account for unforeseen conditions that might arise in the excavation, removal, and replacement of failed asphalt areas.

Construction is anticipated to begin in March 2021 and be completed by the end of June 2021.

#### Project Labor Agreement Applicability

A project labor agreement (PLA) is not applicable to this project as 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.

### **CONCLUSION**

Based on Staff's evaluation of the bids, the low bid is considered acceptable and staff recommends awarding the construction for the 2021 Monterey Road Resurfacing Project to MCK Services, 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. No additional follow up action with Council is expected at this time.

### **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 January 26, 2021 Council Meeting.

**COORDINATION**

This project 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:

Programmatic Project Delivery Estimate	\$680,000.00
Construction Contract	\$6,797,755.70
Contingency	\$340,000.00
<b>TOTAL PROJECT COSTS:</b>	<b>\$7,817,755.70</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 on the following page 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	2020-2021 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	\$29,100,176	\$6,797,755.70	V-623	10/20/2020, 30494
<b>Total Current Funding Available</b>			<b>\$26,6000,072</b>	<b>\$6,797,755.70</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.