



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Ristow  
Matt Loesch

**SUBJECT:** See Below

**DATE:** May 26, 2026

Approved

Date:

6/3/26

**COUNCIL DISTRICTS: 1, 2, 3, 7, 8, 9, 10**

**SUBJECT: Report on Bids and Award of Contract for the 10628 – 2026 Local Streets Resurfacing South Pavement (Measure T) Project**

## **RECOMMENDATION**

- (a) Report on bids and award of a contract for the construction of the 10628 – 2026 Local Streets Resurfacing South Pavement (Measure T) Project to the lowest responsive, responsible bidder, MCK Services, Inc., in the amount of \$5,563,345.51; and
- (b) Approve a 10% contingency in the amount of \$556,335.

## **SUMMARY AND OUTCOME**

Award of this contract to MCK Services, Inc. enables the construction of the 10628 – 2026 Local Streets Resurfacing South Pavement (Measure T) Project (Project), which will resurface and rehabilitate approximately 13 miles of streets within the Local and Neighborhood Streets Network. Approval of the 10% contingency provides funding for any unanticipated work necessary for the proper completion or construction of the Project.

## **BACKGROUND**

The Department of Transportation (DOT) will maintain approximately 201 miles of roadway during the 2026 construction season. As part of this effort, the Project will resurface approximately 13 miles of streets in poor to failed condition in the Local and Neighborhood Streets Network.

Resurfacing is a robust maintenance measure used to extend the useful life of a street and involves removing one to three inches of damaged asphalt concrete and replacing it with a new layer. Pavement resurfacing is typically performed in two phases: preparation and final surface application. The preparation phase includes upgrading existing curb ramps to be compliant with the Americans with Disabilities Act (ADA) and installing new curb ramps where needed. The ADA work is conducted in advance using a combination of major and minor contracts to provide more job opportunities for local and small businesses. Preparation also includes grinding, hauling, and disposal of several inches of damaged roadway. The final surface application consists of installing a new layer of asphalt over the entire street, replacing roadway striping and raising utility lids to the new roadway surface.

The City's Local and Neighborhood Streets Network consists of approximately 1,552 miles of streets within San José, organized into 135 geographically contiguous pavement maintenance zones. Pavement maintenance zones support planning and delivery of paving projects by maximizing the amount of paving work completed at one time within a neighborhood area and ensuring pavement maintenance is proportionally distributed throughout each Council District. DOT anticipates completing pavement maintenance for approximately 91% of all streets within the Local and Neighborhood Streets Network by the end of the current three-year plan (2026-2028).

DOT uses a pavement management software to track roadway condition data and store maintenance history. This data is used to generate a candidate list of streets to be considered for the annual pavement maintenance program. The candidate list is analyzed by staff using the following criteria to create the final list of streets:

- 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;
- 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 streets to create continuous segments for consistency within neighborhoods and project efficiency; and
- Multi-year geographic spread across San José and the street network.

DOT staff cross-referenced the zones selected for maintenance with census tracts designated by the Metropolitan Transportation Commission as "Equity Priority Communities," formerly known as "Communities of Concern," to better track equity in service delivery. There are approximately 266 miles of streets in the Local and Neighborhood Streets Network that are within Equity Priority Community tracts. It is

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estimated that 256 of these miles (roughly 96%) will be maintained by the end of the current three-year plan (2026-2028).

DOT has maintained a total of 228 Equity Priority Community miles since 2019 and will be maintaining an additional 8.17 Equity Priority Community miles in 2026. This is approximately 9% of the 94 miles of streets in the Local and Neighborhood Streets Network selected for maintenance in 2026. The Project will maintain 1.49 Equity Priority Community miles, which is about 3% of the anticipated 46 resurfacing miles in 2026.

The Attachment to this memorandum, “List of Streets,” contains the list of streets to be maintained as a part of the Project. The list may change if unforeseen circumstances arise or new information regarding other projects becomes available.

Construction is scheduled to begin in August 2026 with a substantial completion in October 2026.

**ANALYSIS**

Bids were opened on April 23, 2026, with the following results:

<b><u>Contractor</u></b>	<b><u>Bid Amount</u></b>	<b><u>Variance Amount</u></b>	<b><u>Over/(Under) Percent</u></b>
MCK Services, Inc. (Martinez)	\$5,563,345.51	(\$806,654.49)	(13)
DeSilva Gates Construction LLC (San José)	\$5,900,557.20	(\$469,442.80)	(7)
O'Grady Paving, Inc. (Mountain View)	\$5,923,535.67	(\$446,464.33)	(7)
<b>Engineer's Estimate</b>	<b>\$6,370,000.00</b>	--	--

The low bid submitted by MCK Services, Inc. is 13% below the Engineer’s Estimate. Staff anticipated higher paving costs in 2026; however, paving costs in the low bid accounted for 68% of the total project cost, compared to an average of 75% in 2025, leading to a larger variance between the Engineer’s Estimate and the low bid. Paving costs were the largest source of this variance. Additionally, striping costs were significantly lower than expected. Striping in the low bid was 44% less than the Engineer’s Estimate, which was based on 2025 pricing. Striping was the second-largest source of variance between the low bid and the Engineer’s Estimate.

MCK Services, Inc. has successfully delivered multiple paving projects for the City of San José with similar project scope and size during the 2025 construction season, including: 10490 – 2023-2025 Local Streets Resurfacing Option Term 2; 10491 – 2025

Local Streets Resurfacing East; 10493 – 2025 Local Streets Remove and Replace; and 10522 – 2025 Major Streets Resurfacing.

### *Contingency*

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of building or buildings. The standard 10% contingency is appropriate for the Project.

### *Wage Theft Prevention Policy Check*

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on February 26, 2026, and again on April 24, 2026. No wage theft issues were identified.

### *Project Labor Agreement Applicability*

The City's Project Labor Agreement is applicable to the Project because the Engineer's Estimate is more than \$730,000.

### *Local and Small Business Outreach*

The recommended contractor, MCK Services, Inc., is not a local or small business enterprise. No local companies were listed as subcontractors.

## **EVALUATION AND FOLLOW-UP**

DOT provides an ongoing evaluation of the City's pavement condition and provides periodic reports on this topic to the Transportation and Environmental Committee. In addition to the project discussed in this memorandum, two additional major street projects and one additional local and neighborhood streets pavement maintenance project are scheduled for City Council action this spring.

## **FISCAL IMPACTS**

The Project supports the Transportation and Aviation Services City Service Area goal to preserve and improve transportation assets and facilities. The pavement maintenance performed by the Project will extend the useful life of the streets. Funding for the Project is included in the 2025-2027 Adopted Biennial Capital Budget in the Pavement Maintenance – Measure T Bond appropriation (Fund 498). The Project will have no net operating and maintenance costs to the General Fund.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$563,302
Construction	5,563,346
Contingency	556,335
<b>TOTAL PROJECT COSTS</b>	<b>\$6,682,983</b>
Costs expended to date	\$104,550
<b>TOTAL REMAINING PROJECT COSTS</b>	<b>\$6,578,433</b>

\*Project delivery includes \$112,660 for design services and bidding and \$450,642 for construction management and inspection services.

2. COST ELEMENTS OF CONTRACT AS RECOMMENDED AS PART OF THE MEMORANDUM:

Utility Adjustment	\$936,000
New Paving	4,315,828
Thermoplastic Striping	207,518
Other Construction Costs	104,000
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$5,563,346</b>

**BUDGET REFERENCE**

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2027 Adopted Biennial Capital Budget Page	Last Budget Action (Date, Ord. No.)
498	415Y	Pavement Maintenance – Measure T Bond	\$59,421,307	\$5,563,345.51	947	10/21/2025 31252

**COORDINATION**

This memorandum has been coordinated with the City Attorney’s Office, City Manager’s Budget Office, and the Planning, Building, and Code Enforcement Department

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## **PUBLIC OUTREACH**

This memorandum will be posted on the City Council Agenda website for the June 16, 2026 City Council meeting.

When construction commences, the contractor will provide advance notification regarding working hours, Project duration, and any appropriate schedule and lane closures to affected businesses, schools, 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.

## **BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT**

No board, commission, or committee recommendation or input is associated with this action.

## **CEQA**

Categorically Exempt, File No. ER24-313, CEQA Guidelines Section 15301(c) Existing Facilities.

## **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/  
JOHN RISTOW  
Director of Transportation

/s/  
MATT LOESCH  
Director of Public Works

For questions, please contact Jennifer Seguin, Deputy Director, Department of Transportation, at [jennifer.seguin@sanjoseca.gov](mailto:jennifer.seguin@sanjoseca.gov) or Katherine Brown, Assistant Director of Public Works, at [katherine.brown@sanjoseca.gov](mailto:katherine.brown@sanjoseca.gov).

**ATTACHMENT:**  
List of Streets

## List of Streets

CD	Street Name	Street From	Street To
1	CENTURY DR	CITY LIMIT	MIDDLETOWN DR
2	HARWELL CT	FLINTWELL WY	E END
2	SOUTHWIND DR	TENNANT AV	SOUTHVIEW DR
2	SOUTHCREEK CT	SOUTHVIEW DR	W END
2	SOUTHBROOK CT	SOUTHBROOK DR	S END
2	SOUTHBROOK DR	SILVER LEAF RD	SOUTHVIEW DR
2	SOUTH TERRACE CT	SOUTHVIEW DR	W END
2	SOUTHPORT CT	SOUTHVIEW DR	E END
2	SOUTHFIELD CT	SOUTHVIEW DR	W END
2	SOUTHGATE CT	SOUTHVIEW DR	E END
2	SOUTHOKS CT	SILVER LEAF RD	E END
3	28TH ST N	JULIAN ST E	FIVE WOUNDS LN
3	28TH ST N	FIVE WOUNDS LN	SANTA CLARA ST E
7	SUNBURST DR	LEWIS DR	SOUTHSIDE DR
7	SUNWOOD DR	SUNBURST DR	LEWIS DR
7	HUNKEN DR	LEWIS RD	INDEPENDENCE DR
7	GARDEN DR	LEWIS RD	1090' N/O HAGA DR
7	LEO AV	S 7TH ST	W END
8	CREEKVIEW MEADOW CT	CREEKVIEW MEADOW LN	E END
8	HIDDEN MEADOW CT	MEADOWLANDS LN	N END
8	HIGH MEADOW CT	HIGH MEADOW LN	S END
8	PINE MEADOW CT	SCENIC MEADOW LN	E END
8	SCENIC MEADOW CT	SCENIC MEADOW LN	E END
8	HEARTLAND WY	SAN FELIPE RD	1030' N/OF SAN FELIPE RD
8	WINDWARD CT	CASTLE CANYON WY	S END
8	MUIR PL CT	RAVENS PLACE WAY	S END
9	OLYMPIA AV	CAMDEN AV	CITY LIMIT
9	ROSS CL	ROSS AV	ROSS CR
9	PASATIEMPO DR	ROSS AV	SAMSON WY
9	DEL PASO AV	SAMSON WY	CAMDEN AV
9	JAN WY	DEL PASO AV	EWER DR
9	JAN AV	EWER DR	NELSON WY

<b>CD</b>	<b>Street Name</b>	<b>Street From</b>	<b>Street To</b>
9	SAMSON WY	NELSON WY	EWER DR
9	SAMSON WY	EWER DR	SAMSON CT
9	EWER DR	ROSS AV	CAMDEN AV
9	NELSON WY	CAMDEN AV	ROSS AV
9	LANCASTER DR	CAMDEN AV	ROSS AV
9	BRADFORD WY	ROSS AV	CAMDEN AV
9	BERRY WY	LEIGH AV	115°W/LEIGH AV
9	NELSON WY	LEIGH AV	115°W/LEIGH AV
9	CHARMERAN AV	LEIGH AV	115°W/LEIGH AV
9	HOMERITE DR	LEIGH AV	180°W/LEIGH AV
9	NEW JERSEY AV	CAMDEN AV	185°S/CAMDEN AV
9	RONDEAU DR	EWER DR	NOREEN DR
9	MILROY PL	RONDEAU DR	KIRK RD
9	MANDA DR	SILVERWOOD DR	HILLSDALE AV
9	SILVERWOOD DR	GAVOTA DR	WOODFORD DR
9	GAVOTA AV	HILLSDALE AV	LOLLIE CT
10	SUISSE DR	SNELL AV	DUNN AV
10	DUNN AV	SANTA TERESA BL	CURIE DR
10	ROCKING HORSE CT	SNELL AV	E END
10	MINDY WY	SNELL AV	GALEN DR
10	GALEN DR	CURIE DR	CESSNA CT
10	ELDER CT	GALEN DR	W END
10	HALEY CT	GALEN DR	N END
10	DEWEY WY	CURIE DR	ELVIS DR
10	JESSE JAMES DR	ELVIS DR	CURRENT DR
10	CURRENT DR	JESSE JAMES DR	SUISSE DR
10	DRIFTER DR	SUISSE DR	COZY DR
10	COZY DR	DRIFTER DR	GLIDER DR
10	COZY CT	COZY DR	S END
10	GLIDER DR	SUISSE DR	ELVIS DR
10	ELVIS DR	DUNN AV	RADIANT DR
10	RADIANT DR	ELVIS DR	SUISSE DR
10	JASON CT	SANTA TERESA BL	S END
10	LONG CT	SANTA TERESA BL	S END

<b>CD</b>	<b>Street Name</b>	<b>Street From</b>	<b>Street To</b>
10	SANTA TERESA CT	SANTA TERESA BL	S END
10	PISMO CT	CURIE DR	S END
10	DIDION WY	CURIE DR	WEYBRIDGE DR
10	DIDION CT	WEYBRIDGE DR	S END
10	WEYBRIDGE DR	DIDION WY	CURIE DR
10	SPRINGER DR	SANTA TERESA BL	CANOAS CK
10	OAKBERRY WY	SPRINGER WY	SANTA TERESA BL
10	NATURE DR	SANTA TERESA BL	COTTLE RD
10	NATURE CT	NATURE DR	E END
10	EL PORTAL WY	COTTLE RD	SPODE WY
10	SPODE WY	EL PORTAL WY	SPRINGER WY
10	SPRINGER WY	LOS PINOS WY	CANOAS CK
10	HUTTON CT	SANTA TERESA BL	S END
10	VALE CT	SANTA TERESA BL	S END
10	BAVA CT	SANTA TERESA BL	S END
10	URLIN CT	SANTA TERESA BL	S END
10	TEABERRY CT	SANTA TERESA BL	S END
10	SNOWBERRY CT	SANTA TERESA BL	S END
10	BARCLAY CT	SANTA TERESA BL	S END
10	SPODE WY CUL-DE-SAC (1)	SPODE WY	S END
10	SPODE WY CUL-DE-SAC (2)	SPODE WY	S END
10	EL PORTAL WY	SPODE WY	SPODE WY