



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Loesch

SUBJECT: SEE BELOW

DATE: April 29, 2024

Approved

Date

5/7/24

COUNCIL DISTRICTS: 1, 2, 3, 4, 6, 7, 9, and 10

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE
CONSTRUCTION OF 10381 – 2024 MAJOR STREETS RESURFACING
PROJECT #1**

RECOMMENDATION

- a) Report on bids and award a contract for the construction of 10381 – 2024 Major Streets Resurfacing Project #1 to the lowest responsive, responsible bidder, O’Grady Paving Inc., in the amount of \$8,024,854; and
- b) Approve a 10% contingency in the amount of \$802,485.

SUMMARY AND OUTCOME

Approval of this construction contract award to O’Grady Paving Inc. enables the resurfacing of pavement on approximately 15 miles of streets along the Major Street 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) plans to resurface 30 miles of streets out of the approximate 64 miles planned for maintenance on the Major Street Network in the 2024 construction season. Resurfacing serves as a maintenance measure to extend their useful life and reduces long-term maintenance costs to the City.

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Resurfacing involves removing a depth of 1.5 to three inches of degraded or damaged asphalt concrete and replacing it with a new layer of asphalt concrete. This is typically performed in two separate phases: preparation and final surface application. The preparation phase includes American with Disabilities Act curb ramp installations and retrofits prior to the commencement of the pavement treatment. Preparation also includes the removal and replacement of any structurally failed areas of pavement that can be observed after the top layer of asphalt concrete is removed. The final surface layer is applied along the entire street after the preparation phases are complete.

To decrease the overall timeframe for completing the preparation work, DOT is managing multiple projects for the concrete and Americans with Disabilities curb ramp improvements, most of which are currently in the construction phase. This project for the resurfacing of the pavement is the final phase of the pavement treatment.

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. 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 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; and,
- Multi-year geographic spread across the City street network.

As part of DOT's equity analysis in the development of the 2024 Major Streets paving program, staff cross-referenced the selected streets relative to census tracts designated by the Metropolitan Transportation Commission as "Equity Priority Communities." Based on this analysis, DOT is to maintain four miles designated as Equity Priority Communities in the 2024 Major Streets Resurfacing Project #1, roughly 6% of the 64 miles of Major Streets selected for maintenance this year.

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

ANALYSIS

Bids were opened on April 4, 2024, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
O'Grady Paving, Inc. (Mountain View)	\$8,024,854	(\$10,242)	0
Engineer's Estimate	\$8,035,096	--	--
A. Teichert & Son Inc. (Pleasanton)	\$8,153,705	\$118,609	1
DeSilva Gates Construction, LLC. (Dublin)	\$8,955,955	\$920,859	11
MCK Services Inc. (Concord)	\$9,877,345	\$1,842,250	23

The low bid submitted by O'Grady Paving, Inc. is less than 1% below the Engineers Estimate. The bid is considered acceptable for the work involved in the project.

The recommended contractor has successfully completed many projects with a similar scope of work in the past few years, including the recently completed 10255 – 2023 Major Streets Resurfacing Project #1 and the 10130 – 2022 Stevens Creek & Winchester Resurfacing Project.

Contingency

San José Municipal Code Section 7.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of building or buildings. The standard contingency is appropriate for this project.

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on April 4, 2024 and on April 15, 2024. No wage theft issues were identified.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this project because the Engineer's Estimate is over \$1.22 million.

Local and Small Business Outreach

The recommended contractor is a local but not a small business enterprise. No local or small business enterprises were listed as subcontractors on the project.

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 Environmental Committee. In addition to the project discussed in this memorandum, two additional major streets pavement maintenance projects are tentatively scheduled for City Council action this spring, with six additional projects planned on local and neighborhood streets.

COST SUMMARY/IMPLICATIONS

This project supports the Transportation and Aviation Services City Service Area goal to *Preserve and Improve Transportation Assets and Facilities*. By performing pavement maintenance with this project, the extension of the useful life of the project streets will defer more costly reconstruction. The source of funding for this project is through the 480 – State Gas Tax Pavement Maintenance Fund. This project will have no net operating and maintenance costs to the General Fund.

1. TOTAL COST OF PROJECT:

Programmatic Project Delivery Estimate	\$802,485
Construction Contract	\$8,024,854
Contingency	\$802,485
TOTAL PROJECT COSTS:	<u>\$9,629,824</u>

2. COST ELEMENTS OF CONTRACT:

Utility Adjustment	\$739,150
New Paving	\$5,476,727
Thermoplastic Striping	\$1,667,627
Other Construction Costs	\$141,350
TOTAL CONTRACT AMOUNT	\$8,024,854

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 #	Appn Name	Total Appn	Amt. for Contract	2023-24 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
480	406C	Pavement Maintenance-SB1 Road Repair & Accountability Act 2017	\$32,560,768	\$8,024,854	1075	2/13/24, 31040
Total Current Funding Available			\$32,560,768	\$8,024,854		

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the May 21, 2024 City Council meeting.

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 will be used on selected streets stating the scheduled date and time for work to occur on the street.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

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CEQA

Categorically Exempt, File No. ER23-009, 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 Frank Farshidi, Transportation Division Manager, at frank.farshidi@sanjoseca.gov or (408) 794-1945 or Mathew Nguyen, Deputy Director, Department of Public Works, at mathew.nguyen@sanjoseca.gov or (408) 535-8300.

Attachment – List of Streets

List of Streets

CD	STREET	TO	FROM
3	1ST ST	SANTA CLARA ST	SAN SALVADOR ST
3	21ST ST N	SANTA CLARA ST	400 FT N/OF SANTA CLARA ST E
3	ALMADEN AV	SAN FERNANDO ST	ST JOHN ST W
3	BERING DR	ZANKER RD	BROKAW RD/AIRPORT PY
2	BERNAL RD WB	SAN IGNACIO BL	SILICON VALLEY BL
10	BLOSSOM AV	SANTA TERESA AV	COLLEEN DR
9	BRANHAM LN	130' W/OF SALLY DR	CAMDEN AV
9	CHARD DR	CAPITOL EX	ALMADEN EX
7	COMMUNICATIONS HILL BL	HILLSDALE AV	CASSELINO DR
4	DEVCON DR	BERING DR	ZANKER RD
2	ENDICOTT BLVD	COTTLE RD	GREAT OAKS PKWY
7	FORD AV	ALMA AV	BELLEVUE AV
6	GATEWAY PL SB	N END	BROKAW RD/AIRPORT PY
9	HELLYER AV	SENER RD	PALISADE DR
3,7	HUMBOLDT ST E	11TH ST S	12TH ST S
7	LEWIS RD	SENER RD	MONTEREY RD
1	MILLER AV	RAINBOW DR	PROSPECT RD
10	MIYUKI DR	SANTA TERESA BL	N END
4	MORRILL AV	SIERRA RD	HOSTETTER RD
9	PALISADE DR	HELLYER AV	COYOTE RD
6	PARKMOOR AV	LEIGH AV	150' W/ CLIFTON AV
7	PHELAN AV	ROBERT AVE	MCLAUGHLIN AVE
6	RACE ST	SAN CARLOS ST W	PARK AV
10	SNELL AV	HWY 85 OVERPASS	SANTA TERESA BLVD
6	TECHNOLOGY DR	AIRPORT PY	SKYPORT DR