



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Loesch

SUBJECT: SEE BELOW

DATE: May 28, 2024

Approved

Date

6/6/24

COUNCIL DISTRICTS: 3, 4, 6, 8, 10

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE
CONSTRUCTION OF 10383 – 2024 MAJOR STREETS RESURFACING
PROJECT #2**

RECOMMENDATION

- a) Report on bids and award a contract for the construction of 10383 – 2024 Major Streets Resurfacing Project #2 to the lowest responsive, responsible bidder, DeSilva Gates Construction, Inc., in the amount of \$10,291,291; and
- b) Approve a 10% contingency in the amount of \$1,029,129.

SUMMARY AND OUTCOME

Award of this contract to DeSilva Gates Construction, Inc. will enable the resurfacing and rehabilitation of pavement on approximately 14 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 61 miles planned for maintenance in the Major Street Network in the 2024 construction season. Resurfacing serves as a maintenance measure to extend the streets' useful life and reduce long-term maintenance costs to the City.

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-compliant 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 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 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; and
- Multi-year geographic spread across the city and 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 will be maintaining two miles designated as Equity Priority Communities in the 2024 Major Streets Resurfacing Project #2, roughly 3% of the 61 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 May 2, 2024, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$9,550,691	--	--
DeSilva Gates Construction, Inc. (Dublin)	\$10,291,291	\$740,600	8
Teichert Construction, Inc. (Pleasanton)	\$10,482,747	\$932,056	10
O'Grady Paving, Inc. (Mountain View)	\$11,524,215	\$1,973,524	21

The low bid submitted by DeSilva Gates Construction, Inc. is 8% above the Engineer's Estimate. The bid is considered acceptable for the work involved in the project.

The 8% overage can be attributed to the larger than anticipated increase in material and labor costs associated with the installation of thermoplastic striping and markings. Collectively, the average cost for thermoplastic striping and markings is 87% higher than our Engineer's Estimate.

The recommended contractor has successfully completed many projects with a similar scope of work in the past few years for the City, including the recently completed 10256 – 2023 Major Streets Resurfacing Project #2.

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 May 2, 2024 and on May 13, 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 not a local nor 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 projects discussed in this memorandum, one additional Major Streets pavement maintenance project is tentatively scheduled for City Council action this summer.

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	\$1,029,129
Construction	\$10,291,291
Contingency	\$1,029,129
TOTAL PROJECT COSTS:	\$12,349,549

2. COST ELEMENTS OF CONTRACT:

Utility Adjustment	\$873,200
New Paving	\$6,484,346
Thermoplastic Striping	\$2,753,549
Other Construction Costs	\$180,196
TOTAL CONTRACT AMOUNT	\$10,291,291

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	2023-2024 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
480	406C	Pavement Maintenance - SB1 Road Repair & Accountability Act 2017	\$32,560,768	\$10,291,291	1075	2/13/24, 31040
Total Current Funding Available			\$32,560,768	\$10,291,291		

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 June 18, 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 may 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.

HONORABLE MAYOR AND CITY COUNCIL

May 28, 2024

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CEQA

Categorically Exempt, File No. ER23-009, CEQA Guidelines Section 15301(c), Existing Facilities.

PUBLIC SUBSIDY REPORTING

This memorandum 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, Division Manager with the Department of Transportation, at frank.farshidi@sanjoseca.gov or (408) 794-1945 or Mathew Nguyen, Deputy Director with the Department of Public Works, at mathew.nguyen@sanjoseca.gov or (408) 535-8300.

Attachment – List of Streets

ATTACHMENT
**Report on Bids and Award of Contract for the Construction of 10383 – 2024 Major Streets Resurfacing
Project #2**

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List of Streets

CD	STREET NAME	FROM	TO
3	7 TH ST	SAN SALVADOR ST	MARGARET ST
10	BLOSSOM HILL RD	INDIAN AV	HWY 85
6	DELMAS AV	SANTA CLARA ST	AUZERAIS AV
3	COLEMAN AV	SANTA TERESA ST	JULIAN ST
3, 6	JULIAN ST	MONTGOMERY ST	NOTRE DAME AV
4	ORCHARD PKWY	ATMEL WY	1 ST ST
8	RUBY AV	FOWLER RD	DELTA RD
6	SAN CARLOS ST	DELMAS AV	4 TH ST
8	SAN FELIPE RD	ABORN RD	YERBA BUENA RD
3	VIRGINIA ST	PREVOST ST	7 TH ST
6	WILLOW GLEN WY	LINCOLN AV	BIRD AV
6	WILLOW GLEN WY	BIRD AV	ALMADEN AV