

5.1 Report on Bids and Award of Contract for 10365 – 2024 Local Streets Resurfacing Southeast Project.

Recommendation:

(a) Report on bids and award of contract for the construction of 10365 – 2024 Local Streets Resurfacing Southeast Project, to the lowest responsive, responsible bidder, MCK Services, Inc., in the amount of \$15,865,150; and

(b) Approve a 10% contingency in the amount of \$1,586,000.

CEQA: Categorically Exempt, File No. ER23-009, CEQA Guidelines Section 15301(c), Existing Facilities. Council Districts 2, 5, 7, 8, 9, 10. (Transportation/Public Works)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow
Matt Loesch

SUBJECT: 10365 – 2024 LOCAL STREETS
RESURFACING SOUTHEAST
PROJECT

DATE: April 15, 2024

Approved

Date

4/17/24

COUNCIL DISTRICTS: 2, 5, 7, 8, 9, 10

RECOMMENDATION

- (a) Report on bids and award of contract for the construction of 10365 – 2024 Local Streets Resurfacing Southeast Project, to the lowest responsive, responsible bidder, MCK Services, Inc., in the amount of \$15,865,150; and
- (b) Approve a 10% contingency in the amount of \$1,586,000.

SUMMARY AND OUTCOME

Award of this contract to MCK Services, Inc. will enable the completion of approximately 36 miles of resurfacing to 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 177 miles of streets on the Local and Neighborhood Streets Network in the 2024 construction season. Of these, 116 miles will be resurfaced due to their poor to failed condition and 61 miles will be sealed. These projects are funded by the Measure T Bond program which designates \$300 million for the repair or rehabilitation of local and neighborhood streets in the worst condition.

Pavement maintenance is typically performed in two separate phases: preparation and a final surface application. The preparation phase consists of the installation and upgrade of Americans with Disability Act curb ramps. The ramp work is conducted using minor contracts to provide more opportunities for local and small businesses. The final surface application phase is known

as resurfacing, which is the removal of several inches of damaged or degraded roadway and the installation of a new layer of asphalt, followed by roadway striping and markings. To complete 116 miles of resurfacing work in one construction season, the 2024 resurfacing work will be divided into four separate projects and implemented concurrently.

The City's Local and Neighborhood Streets Network is organized into 135 geographically contiguous "Pavement Maintenance Zones." The zones were established several decades ago to support efficient planning and delivery of paving projects, maximize the amount of paving work completed at one time within a neighborhood area, and provide geographic spread of pavement maintenance across the City.

DOT utilizes a Pavement Management System to collect and store roadway condition data that is used to generate a candidate list of streets to be considered for the annual pavement maintenance program. The candidate list is then thoroughly analyzed by staff using the following criteria to create the final list of streets:

- Funding availability and funding use restrictions;
- Total miles of streets in reconstruction and rehabilitation category;
- Streets not affected by current or future street related projects;
- Maintenance history and prescribed treatment schedules;
- Relative location of street segments to create multiple, continuous segments, consistency within neighborhoods, and project efficiency;
- Multi-year geographic spread across the City and street network;
- Number of public traffic attraction facilities, such as schools, hospitals, libraries, community centers, etc.; and,
- Community and City Council office feedback regarding roadway conditions and priority street segments.

In 2021, DOT added equity as a criterion for zone selection. DOT staff cross-referenced the selected zones 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. Most recent results confirmed that 238 out of 265 miles (roughly 90%) of local and neighborhood streets designated in Equity Priority Communities areas will be maintained by the end of the current three-year plan (2026). DOT anticipates completing pavement maintenance for nearly 86% of the total 1,552 miles of local street network in this same timeframe compared to 90% in the Equity Priority Communities areas.

DOT has maintained a total of 163 Equity Priority Communities miles since 2019 and will be maintaining an additional 34 Equity Priority Communities miles in 2024, which is roughly 19% of the 177 miles of Local and Neighborhood Streets selected for maintenance in 2024. This project will consist of 11 Equity Priority Communities miles, which is roughly 9% of the anticipated 116 resurfacing miles.

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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.

Construction is scheduled to begin in July 2024 and be completed by early December 2024.

ANALYSIS

Bids were opened on January 25, 2024. The results are listed below.

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
MCK Services, Inc. (Concord)	\$15,865,150	\$1,168,365	(6.9)
<i>Engineer's Estimate</i>	<i>\$17,033,515</i>	--	--
O'Grady Paving, Inc. (Mountain View)	\$17,060,900	\$27,385	0.2
DeSilva Gates Construction, (Dublin) <i>(non-responsive)</i>	\$17,189,150	\$155,635	0.9
A. Teichert & Son, Inc. (Pleasanton)	\$18,033,520	\$1,000,005	5.9

The bid from DeSilva Gates Construction was deemed non-responsive for failing to meet the City's experience requirements.

The Engineer's Estimate for this project is \$17,033,515 and was based on bids received from similar past projects and current estimated construction prices. The low bid, submitted by MCK Services, Inc., is \$15,865,150 and is approximately 7% below the Engineer's Estimate. Staff considers the bid to be acceptable for the work involved and recommend awarding the contract to MCK Services, Inc.

MCK Services, Inc. has previously completed multiple major pavement maintenance projects for the City of San José. In the 2023 construction season, MCK Services, Inc. resurfaced approximately 108 miles of City streets through four different projects. In 2024, MCK Services Inc. has been awarded four major construction contracts to repave an additional 116 miles.

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 contingency is appropriate for this project.

Project Labor Agreement Applicability

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

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on January 25, 2024 and on April 5, 2024. No wage theft issues were identified.

Local and Small Business Outreach

The recommended contractor is not a local or 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, three additional local and neighborhood street pavement maintenance projects totaling 96 miles are scheduled for City Council action this spring.

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 498 – Measure T Public Safety and Infrastructure Bond Fund. This project will have net zero impact to the General Fund as the standard in-house operating and maintenance costs are already included in DOT's annual budget. The operating and maintenance costs associated with future Capital Improvement Program will be addressed in future budget cycles.

1. TOTAL COST OF PROJECT:

Programmatic Project Delivery Estimate* (10%)	\$1,586,000
Construction Contract	\$15,865,150
Contingency (10%)	<u>\$1,586,000</u>
TOTAL PROJECT COSTS:	\$19,037,150

* Programmatic Project Delivery Estimate includes approximately \$634,400 (4%) for design services and \$951,600 (6%) for construction management and inspection services.

2. COST ELEMENTS OF CONTRACT:

New Paving	\$12,830,000
Thermoplastic Striping and Markings	\$469,150
Utility Adjustments	\$2,471,000
Other Construction Costs	<u>\$95,000</u>
TOTAL CONTRACT AMOUNT	\$15,865,150

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract	2022-23 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
498	415	Pavement Maintenance – Measure T Bond	\$50,451,000	\$15,865,150	1013	10/17/23, 30966
Total Current Funding Available			\$50,451,000	\$15,865,150		

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 7, 2024 City Council meeting.

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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.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Environmental status granted by the Planning, Building and Code Enforcement Department. 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

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List of Streets

Street Name	Street From	Street To	Council District
AGATHA WY	AMANDA DR	BRIDGET DR	2
ALBION CT	ALBION DR	N END	2
ALBION DR	NARVAEZ AV	BLUEFIELD DR	2
AMANDA DR	NARVAEZ AV	AGATHA WY	2
BLISS CT	BLUEFIELD DR	E END	2
BLUEFIELD CT	BLUEFIELD DR	E END	2
BRANHAM LN	BRANHAM LN	N END	2
BRIDGET DR	AGATHA WY	NARVAEZ AV	2
BUCKINGHAM PARK CT	WINDSOR PARK DR	E END	2
CARLOTTA CT	AGATHA WY	W END	2
CHESNUT PARK CT	WINDSOR PARK DR	E END	2
CROCUS DR	EDELWEISS DR	BRANHAM LN	2
CYPRESS PARK CT	WINDSOR PARK DR	W END	2
DAGMAR CT	AGATHA WY	W END	2
EDELWEISS CT A	EDELWEISS DR	E END	2
EDELWEISS CT B	EDELWEISS DR	S END	2
EDELWEISS DR	BLUEFIELD DR	INDIGO DR	2
FANELLI CT	NARVAEZ AVE	E END	2
FAYE PARK DR	NARVAEZ AV	INDIGO DR	2
GLENFORD PARK CT	WINDSOR PARK DR	E END	2
HEATHERBRAY CT	JONQUIL DR	E END	2
INDIGO DR	NARVAEZ AV	ALBION DR	2
INDIGO DR	INDIGO DR	S END	2
JERABEK CT	LANFAIR CR	S END	2
JONQUIL CT	JONQUIL DR	E END	2
JONQUIL DR	THISTLE DR	EDELWEISS DR	2
KENSINGTON PARK CT	WINDSOR PARK DR	W END	2
KINGSPARK DR	BRANHAM LN	GREENPARK WY	2
LANFAIR CR	BLUEFIELD DR	BLUEFIELD DR	2
LANFAIR CT A	LANFAIR DR	N END	2
LANFAIR CT B	LANFAIR DR	S END	2
LANFAIR DR	BLUEFIELD DR	W END	2
LUNETA CT	LANFAIR DR	N END	2
LUNETA DR	ALBION DR	LANFAIR DR	2
LUX CT	LANFAIR DR	N END	2
MEADOW CREEK DR	INDIGO DR	NARVAEZ AV	2
MEADOW DALE CT	JONQUIL DR	E END	2
MEG CT	MEG DR	E END	2
MEG DR	ALBION DR	EDELWEISS DR	2
NAOMI CT	NARVAEZ AV	E END	2
ROYAL GARDEN PL	BRANHAM LN	N END	2
ROYALE PARK CT	ROYALE PARK DR	N END	2
ROYALE PARK DR	VISTAPARK DR	BRANHAM LN	2

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Street Name	Street From	Street To	Council District
SARAH CT	NARVAEZ AV	E END	2
STRATFORD PARK CT	WINDSOR PARK DR	W END	2
TAUBEH CT	LANFAIR CR	S END	2
THISTLE DR	EDELWEISS DR	JONQUIL DR	2
WINDSOR PARK DR	BLUEFIELD DR	ROYALE DR	2
YOLO DR	LUNETA DR	N END	2
CHARTER PARK DR	HILLSDALE AV	S END	2
ALEXIAN DR	JOSE FIGUERES A	JACKSON AV N	5
BERKSFORD WY	MARKINGDON AV	HURLINGHAM WY	5
CAPITOL AV S	CORNWALL DR	OCALA AV	5
CAPITOL AV S	MURTHA DR	BRISTOL DR	5
CAPITOL AV S	BELFAST DR	COVENTRY DR	5
CAPITOL AV S	CAPITOL CT	MURTHA DR	5
CAPITOL AV S	COVENTRY DR	CORNWALL DR	5
CAPITOL AV S	DUBLIN DR	BELFAST DR	5
CAPITOL AV S	BRISTOL DR	DUBLIN DR	5
CAPITOL AV S	TUDOR CT	CAPITOL CT	5
CAPITOL AV S	SUSSEX DR	TUDOR CT	5
CORNWALL DR	CAPITOL AV S	SUNDOWN LN	5
CRAGWOOD LN	TANGLEWOOD DR	TWIN OAKS LN	5
EL MONTE WY	CAPITOL AV S	HILLMONT AV	5
ESTATES CT	MOSS POINT DR	N END	5
EVERMONT CT	OCALA AV	N END	5
EVERWOOD CT	OCALA AV	E END	5
FARRINGDON CT	FARRINGDON DR	S END	5
FARRINGDON DR	WHITE RD	MURTHA DR	5
HILLMONT AV	OCALA AV	TANGLEWOOD DR	5
HURLINGHAM WY	BERKSFORD WY	MARKINGDON DR	5
MCGINNESS AV	TANGLEWOOD DR	EL MONTE WY	5
MONTEVIDEO LN	EL MONTE WY	WOODMOOR DR	5
MOSS POINT DR	HILLMONT AV	PARKDALE WY	5
MURTHA DR	WHITE RD S	MCGINNESS AV	5
NUGGET CT	MOSS POINT DR	N END	5
OAKTON CT	OCALA AV	N END	5
OCALA CT	OCALA AV	N END	5
PARK LN	FARRINGDON AV	PARKDALE WY	5
PARK LN	PARKDALE WY	WHITE RD S	5
RIDGEMONT DR	WOODRIDGE DR	590'W/WOODRIDGE DR	5
RIDGEMONT DR	590'W/WOODRIDGE DR	OCALA AV	5
SANDALWOOD CT	MURTHA DR	S END	5
SUNDOWN LN	MURTHA DR	HILLMONT AV	5
SUNSHADOW LN	CORNWALL DR	MURTHA DR	5
TANGLEWOOD DR	CRAGWOOD LN	MCGINNESS AV	5
TANGLEWOOD DR	MCGINNESS AV	HILLMONT AV	5
WARRINGTON AV	FARRINGDON DR	WHITE RD S	5

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Street Name	Street From	Street To	Council District
WESLEY CT	OCALA AV	N END	5
WOODALE CT	MURTHA DR	S END	5
WOODMOOR DR	MONTEVIDEO LN	CAPITOL AV S	5
WOODRIDGE WY	OCALA AV	PARK LN	5
ZEPHYR CT	MURTHA DR	S END	5
MT MCKINLEY DR	WHITE RD S	CLAYTON RD	5
CARPENTIER WY	CAS DR	SENER RD	7
CAS DR	CEDRO ST	CARPENTIER WY	7
CAS DR	CAPITOL EX	EZIE ST	7
CAS DR	EZIE ST	SEBASIAN WY	7
CEDRO ST	SENER RD	BUCKEYE DR	7
CEDRO ST	BUCKEYE DR	AIRES LN	7
CEDRO ST	AIRES LN	CAS DR	7
DOTTIELYN AV	SEBASIAN WY	EZIE ST	7
LOS ARBOLES	RICHDALE AV	CAS DR	7
MIGNOT LN	CAS DR	DOTTIELYN AV	7
MIRA LOMA WY	SANTA ROSA DR	EL CAJON DR	7
NERDY AV	DOTTIELYN AV	CAS DR	7
RICHDALE AV	EZIE ST	LOS ARBOLES ST	7
SAN RAMON WY	COSTA MESA DR	SANTA ROSA DR	7
SAN RAMON WY	SANTA ROSA DR	SENER RD	7
SAN SIMEON WY	SANTA ROSA DR	RIO CHICO DR	7
SAN YSIDRO WY	RIO CHICO WY	SANTA ROSA DR	7
SEVEN TREES BL	CAPITOL EX	SENER RD	7
SKALL DR	DOTTIELYN AV	CAS DR	7
BLUEWATER CT	RIDGEMONT DR	E END	8
COVE CT	CUNNINGHAM AV	N END	8
GAN CT	CUNNINGHAM AV	N END	8
MOONSTAR CT	RIDGEMONT DR	E END	8
PIXANNE CT	WONDERAMA DR	E END	8
STARFISH CT	CUNNINGHAM AV	N END	8
SUPREME DR	CUNNINGHAM AV	WONDERAMA DR	8
WONDERAMA DR	OCALA AV	CUNNINGHAM AV	8
AKLAN CT	CAMINO VERDE DR	E END	10
ALRIC CT	ALRIC DR	S END	10
ALRIC DR	COTTLE RD	MAYO DR	10
APPLEGATE CT	CURIE DR	S END	10
APPLEGATE DR	CURIE DR	JAGGERS DR	10
BAGUIO CT	CURIE DR	S END	10
BEAL CT	CURIE DR	S END	10
BECKHAM DR	COTTLE RD	OBERLIN WY	10
BENZO DR	LOS PINOS WY	CURIE DR	10
BEVIL CT	CURIE DR	S END	10
BISON CT	JAGGERS DR	S END	10
BODEGA WY	CAMINO VERDE DR	COTTLE RD	10

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Street Name	Street From	Street To	Council District
CAMINO VERDE DR	CURIE DR	MANILA DR	10
CAMINO VERDE DR	SANTA TERESA BL	INTERNATIONAL CR	10
CASTILLON WY	CATAMARAN ST	ENCINAL DR	10
CEBU CT	CURIE DR	S END	10
CONEJO DR	JAGGERS DR	SAN ANSELMO WY	10
COTTLE RD	CURIE DR	LOVELY CREEK CT	10
CRESTA VISTA WY	CAMINO VERDE DR	DONDERO WY	10
CURIE CT	CURIE DR	E END	10
DADE CT	BECKHAM DR	E END	10
DEL CANTO DR	LOS PALMOS WY	SORRENTO WY	10
DEL CANTO DR	SORRENTO WY	SANTA TERESA BL	10
DEL ROBLES CT	SORRENTO WY	N END	10
DONDERO WY	PURPLE HILLS DR	SOLANO DR	10
DU SAULT DR	CURIE DR	SAN ANSELMO WY	10
EL MOLINO WY	CAMINO VERDE DR	COTTLE RD	10
EL PORTAL WY	CAMINO VERDE DR	ENCINAL DR	10
EL PORTAL WY	COTTLE RD	CAMINO VERDE	10
ENCINAL DR	SANTA TERESA BL	CRESTA VISTA WY	10
ESCONDIDO CT	SORRENTO WY	N END	10
ESTEBAN WY	MORAGA WY	SOLANO DR	10
FELDER DR	MALORY DR	WOOSLEY DR	10
FELDER DR	FELDER DR	E END	10
FIELDCREST DR	LOS PINOS WY	WOOSLEY DR	10
HERCUS CT	JAGGERS DR	S END	10
HESKET CT	CURIE DR	W END	10
HOSPITAL PY EB	INTERNATIONAL CR	COTTLE RD	10
HOSPITAL PY WB	INTERNATIONAL CR	COTTLE RD	10
INTERNATIONAL CR	CAMINO VERDE DR	CAMINO VERDE DR	10
JAGGERS DR	APPLEGATE DR	RADKO DR	10
JAI DR	CAMINO VERDE DR	COTTLE RD	10
KONA CT	KONA PL	E END	10
KORHUMMEL WY	JAGGERS DR	CURIE DR	10
LISKA LN	INTERNATIONAL CR	335'E/INTERNATIONAL CR	10
LISKA LN	335'E/INTERNATIONAL CR	SANTA TERESA BL	10
LOS PALMOS WY	ENCINAL DR	DEL CANTO DR	10
LOS PINOS WY	COTTLE RD	CURIE DR	10
LOS PINOS WY	COTTLE RD	BODEGA WY	10
LOVELY CREEK CT	COTTLE RD	S END	10
MALORY DR	CURIE DR	LOS PINOS WY	10
MANILA DR	ST JULIE DR	CAMINO VERDE DR	10
MAYO DR	ALRIC DR	CURIE DR	10
MAYO WY	MAYO DR	WOOSLEY DR	10
MORAGA WY	SOLANO DR	ESTEBAN WY	10

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Street Name	Street From	Street To	Council District
MOUNTFORD DR	LOS PINOS WY	MALORY DR	10
NEPO CT	JAI DR	S END	10
NEPO DR	COTTLE RD	JAI DR	10
NUEVA DR	SAN ANSELMO WY	SOLANO DR	10
OBERLIN WY	COTTLE RD	BECKHAM DR	10
OBERLIN WY	BECKHAM DR	S END	10
PEARLROTH DR	CURIE DR	LOS PINOS WY	10
PELHAM CT	CURIE DR	E END	10
PEMBA CT	PEMBA DR	S END	10
PEMBA DR	CATAMARAN ST	PEMBA CT	10
PEMBA DR	PEMBA CT	KONA PL	10
RAYBAL CT	LOS PINOS WY	E END	10
RIZAL CT	JAI DR	S END	10
SAMAR DR	JAI DR	CURIE DR	10
SAN ANSELMO WY	SAN IGNACIO AV	CAMINO VERDE DR	10
SAN BUENA CT	SORRENTO WY	N END	10
SAUTNER DR	WOOSLEY DR	506'W/WOOSLEY DR	10
SAUTNER DR	506'W/WOOSLEY DR	MALORY DR	10
SOLANO DR	325'W/NUEVA DR	CRESTA VISTA WY	10
SOLOMON CT	LOS PINOS WY	S END	10
SORRENTO WY	ENCINAL DR	CAMINO VERDE DR	10
SPONSON CT	SPONSON LN	N END	10
SPONSON LN	ALRIC DR	COTTLE RD	10
ST JULIE DR	CURIE DR	MANILA DR	10
STANDRIDGE CT	COTTLE RD	W END	10
SULU CT	CURIE DR	S END	10
THETA CT	BENZO DR	W END	10
UTICA CT	UTICA LN	N END	10
UTICA LN	COTTLE RD	LOS PINOS WY	10
VISCAINO WY	BODEGA WY	EL MOLINO WY	10
WOOSLEY DR	CURIE DR	SAUTNER DR	10
WOOSLEY DR	SAUTNER DR	LOS PINOS WY	10