



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: STREET RESURFACING 2007
BACKLOG REDUCTION
PROJECT - PHASE 1

DATE: 04-20-07

Approved

Date

4/20/07

COUNCIL DISTRICT: 1,2,3,4,5,6,7,8,9

REASON FOR SUPPLEMENTAL MEMORANDUM

To provide additional information after bids were opened.

RECOMMENDATION

Report on bids and award of contract for the Street Resurfacing 2007 Backlog Reduction Project – Phase 1 to the low bidder O’Grady Paving, Inc., in the amount of \$4,531,860, and approval of a 10% contingency in the amount of \$453,000.

OUTCOME

Approval of this construction contract to O’Grady Paving, Inc., will allow for approximately 10.4 miles of City streets to be resurfaced. Resurfacing these streets will improve their structure and ride quality and extend the useful life of the streets in order to defer more costly reconstruction. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

Over the last several years, the Pavement Maintenance Program has experienced a large decrease in funding. As a result of the funding shortages, streets in need of resurfacing have been deferred and placed on a backlog list. Resurfacing is the application of approximately two inches of asphalt concrete (AC) over the existing pavement resulting in a smooth surface and stronger road section. As part of the process, deteriorated areas of the pavement are repaired, damaged traffic loops are replaced, ADA curb ramps are installed, and the striping and markings are re-installed.

In an effort to address the growing number of miles on this backlog list, one time funding was approved by Council and included in the 2006-2007 Adopted Capital Budget. This resurfacing construction project utilizes those one-time funds and will provide for approximately 10.4 miles of streets currently on the backlog resurfacing list.

The criteria below are used to establish the list of streets that will receive treatments each year:

- Street condition.
- Streets due or past due for maintenance based on prescribed maintenance cycles (eight-year cycle for arterial/collector streets and ten-year cycle for residential streets).
- Streets with numerous maintenance requests.
- Streets not affected by current or future street-related projects.
- Continuity of street segments (create multiple, continuous segments, joint jurisdiction work).
- Appropriate distribution of street maintenance throughout the City.

ANALYSIS

Bids were opened on April 12, 2007 with the following results:

Contractor	City	Bid Amount	Variance Amount	Over/ Under Percent Engineer's Estimate
Project Engineer's Estimate		\$5,648,722		
Granite Construction Company	Watsonville, CA	\$5,097,800	-\$550,922	9.75% under
C. F. Archibald Paving, Inc.	Redwood City, CA	\$4,945,829	-\$702,893	12.44% under
G. Bortolotto & Co., Inc.	San Carlos, CA	\$4,714,668	-\$934,054	16.54% under
Top Grade Construction, Inc.	Livermore, CA	\$4,657,045	-\$991,677	17.56% under
O'Grady Paving, Inc.	Mountain View, CA	\$4,531,860	-\$1,116,862	19.77% under

The low bid submitted by O'Grady Paving, Inc. is 19.77 percent below the Engineer's Estimate. The bid is considered acceptable for the work involved in the project and Staff recommends that the construction contract be awarded to O'Grady Paving, Inc.

Council Policy provides for a standard contingency of ten percent on public works projects involving street resurfacing and sealing. Staff considers the standard contingency appropriate for this project.

Construction is scheduled to begin in May 2007 and will be completed before the end of September 2007.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Project Delivery/Development	\$850,000
Construction Contract	\$4,531,860
Contingency	<u>\$453,000</u>

TOTAL PROJECT COSTS: \$5,834,860

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Adjust Manhole, Valves, Monuments	144,800
Induction Traffic Loop Replacement	9,200
Asphalt Concrete Pavement	\$ 3,684,340
Concrete Work	\$ 434,520
Traffic Striping/Markings	\$ 98,600
Police Traffic Control and Misc. Items	<u>\$160,400</u>

TOTAL CONSTRUCTION CONTRACT COSTS: \$4,531,860

3. SOURCE OF FUNDING: 465 – Construction Excise Tax Fund
001 – General Fund

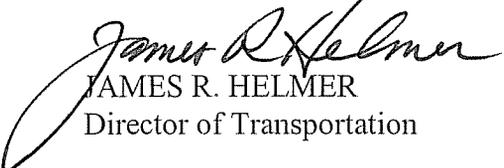
4. FISCAL IMPACT: This project has no net operating and maintenance costs to the General Fund.

BUDGET REFERENCE

Fund #	Appn #	RC#	Appn. Name	Total Appn	Amt. for Contract	2006-2007 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	6123	056423	Street Maintenance	\$9,432,000	\$1,531,860	V - 1090	10/17/06 Ord. No. 27888
001	4543		Maintenance Backlog – Street Resurfacing	\$ 3,000,000	\$3,000,000	V - 1089	N/A
Total Current Funding Available =				\$ 12,432,000	\$ 4,531,860		

CEQA

Exempt, File No. PP06-066.


JAMES R. HELMER
Director of Transportation

For questions please contact Amanda Lei, Associate Engineer, at 277-5516.