



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: SEE BELOW

DATE: 05-30-08

Approved

Date

5/30/08

COUNCIL DISTRICT: Citywide

SUBJECT: REJECTION OF BIDS AND AWARD OF CONTRACT FOR THE STREET RESURFACING 2008 BACKLOG REDUCTION PROJECT

RECOMMENDATION

- 1) Approval to reject all bids received on April 17, 2008 for the Street Resurfacing 2008 Backlog Reduction Project.
- 2) Report on bids received on May 27, 2008 for the Street Resurfacing 2008 Backlog Reduction Project and award of contract to the low bidder, Top Grade Construction, Inc. in the amount of \$7,985,708 and approval of a five percent (5%) contingency in the amount of \$400,000.

OUTCOME

Approval of recommendation #1 will reject the first set of bids received on April 17, 2008. Approval of recommendation #2 will award the project to the lowest bidder from the second set of bids received on May 27, 2008. The approval of both recommendations will facilitate the efforts to resurface 20 miles of streets within this year's paving season. 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 five percent contingency will allow funding for unanticipated work necessary for the proper completion or construction of the Project. The recommended actions support the Transportation and Aviation Services City Service Area goal to *Preserve and Improve Transportation Assets and Facilities*.

BACKGROUND

Over the last several years, the Pavement Maintenance Program has experienced a large decrease in funding. As a result, many streets in need of resurfacing have been placed on a deferred

maintenance backlog list. There are currently approximately 530 miles of street in need of resurfacing.

The City recently received State Proposition 1B funds, which will be utilized for this project to resurface approximately 20 miles of streets currently on the resurfacing 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 project, deteriorated areas of the pavement are repaired, damaged traffic loops are replaced, and the striping and markings are re-installed. The criteria below are used to identify the streets that will be resurfaced:

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

Attachment A contains the list of streets to be resurfaced.

ANALYSIS

The Street Resurfacing 2008 Backlog Reduction project was originally advertised on March 26, 2008 to solicit bids scheduled to be opened on April 17, 2008. On April 9, 2008, the City issued Addendum No.1 to correct an inconsistency in the project specifications. The inconsistency was in the dollar amounts stated in two separate areas of the specifications identifying maximum compensation available for paving asphalt oil price fluctuations. Bids for the Street Resurfacing 2008 Backlog Reduction project were received on April 17, 2008, and after reviewing the bid submittals, staff realized that not all plan holders were sent Addendum No. 1. This was an inadvertent mistake on the part of City staff that may have had a material affect on the bids received. Therefore, in accordance to Section 2-1.06, "Rejection of Proposals", of the City of San Jose's Standard Specifications, it is recommended that all bids received on April 17, 2008 be rejected.

The project was re-advertised and a second round of bids were opened on May 27, 2008 with the following results:

Contractor	City	Bid Amount	Variance Amount	Over/Under Percent Engineer's Estimate
Granite Rock Construction DBA Pavex Construction Division	San Jose, CA	\$9,507,883.00	\$857,523.00	9.91% over
C.F. Archibald Paving, Inc.	Redwood City, CA	\$9,433,837.00	\$783,477.00	9.06% over
RGW Construction, Inc.	Livermore, CA	\$8,965,447.80	\$315,087.80	3.64% over
De Silva Gates Construction L.P.	Dublin, CA	\$8,654,353.00	\$3,993.00	0.05% over
G. Bortolotto & Co., Inc.	San Carlos, CA	\$8,651,179.00	\$819.00	0.01% over
Engineer's Estimate		\$8,650,360.00		
Granite Construction Company	Santa Clara, CA	\$8,606,084.00	\$44,276.00	0.51% under
O'Grady Paving, Inc.	Mountain View, CA	\$8,455,987.00	\$194,373.00	2.25% under
Top Grade Construction, Inc.	Livermore, CA	\$7,985,708.50	\$664,651.50	7.68% under

The low bid submitted by Top Grade Construction, Inc. is 7.68% 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 Top Grade Construction, Inc.

Council Policy provides for a standard contingency of five 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 July 2008 and should be completed by the end of November 2008.

EVALUATION AND FOLLOW-UP

Staff has reviewed the first bid process and has implemented changes to ensure similar situations do not occur in the future. No additional actions are required by the City Council.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit contractors this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for this construction project were provided to various contractor organizations and builder's exchanges.

This award memo is also posted on the City's website for the June 17, 2008 Council Agenda.

In addition, when the project commences, the contractor, as stated in the specifications, will provide advance notification regarding working hours, duration of project, and any appropriate lane closures to affected businesses and residents.

COORDINATION

Actions related to the bid processes and the recommendations in this memo have been coordinated with the City Attorney's Office. This memo has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery sections in that it will spur construction spending in our local economy. The project is also

consistent with the Council-approved Budget Strategy General Principles section in that it protects vital core City services.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:
(Construction Contract + Contingency Amount) \$8,385,708

Project Delivery/Development	\$850,000
Construction Contract	\$7,985,708
Contingency	<u>\$400,000</u>
TOTAL PROJECT COSTS:	\$9,235,708

2. COST ELEMENTS OF CONSTRUCTION CONTRACT

Adjust Manhole, Valves, Monuments	\$273,350
Induction Traffic Loop Replacement	\$16,250
Asphalt Concrete Pavement	\$3,464,000
Concrete Work	\$3,866,747
Traffic Striping/Markings	\$92,141
Police Traffic Control and Misc. Items	<u>\$273,220</u>
TOTAL CONSTRUCTION CONTRACT COSTS:	\$7,985,708

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

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

BUDGET REFERENCE

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

HONORABLE MAYOR AND CITY COUNCIL

05-30-08

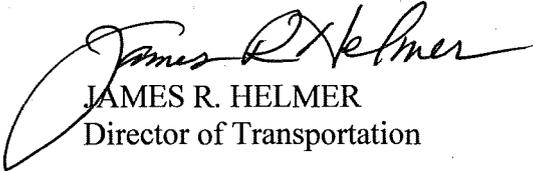
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Fund #	Appn #	RC#	Appn. Name	Total Appn	Amt. for Contract	2007-2008 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$9,235,708			
Current Funding Available							
465	6174	151195	Proposition 1B Pavement Maintenance	\$11,700,000	\$7,985,708	N/A	10/16/07 Ord. No. 28143
Total Current Funding Available =				\$11,700,000	\$7,985,708		

CEQA

Exempt, File No. PP06-066.


JAMES R. HELMER
Director of Transportation

For questions please contact Amanda Lei, Acting Pavement Services Program Manager, at 277-5516.

Attachment

ATTACHMENT A

STREET RESURFACING 2008 BACKLOG REDUCTION PROJECT

CD	STREET NAME	FROM	TO	LENGTH (FT)
3	19TH ST N	ST JAMES	S END	286
3	2ND ST N	E TAYLOR ST	E MISSION ST	907
6	ALAMEDA CT	THE ALAMEDA	OBRIEN CT	170
10	ALLSTON CT	ALLSTON WY	S END	145
10	ALLSTON WY	ALMADEN RD	LENWOOD WY	956
3	ARCHER ST	N 1ST ST	N 4TH ST	1015
2	ARCO CT	GOLDFIELD DR	E END	225
4	ASHWOOD LN	BIRCHWOOD LN	LANDESS AV	1470
1	BEVANS DR	LAPA DR	224' S/O LAPA DR	224
9	BLOSSOM DALE DR	BLOSSOM CREST	BLOSSOM HILL RD	390
10	BLUEFIELD DR	VISTA PARK DR	CAPITOL EX	2520
1	BUCKNALL RD	60'E/ABBEY LN	SAN TOMAS AQUIN	3095
10	CALLE VENTURA	LANDERWOOD LN	HAMPTON DR	796
1	CARDIFF CT	OXFORD LN	S END	140
7	CAS DR	LOS ARBOLES	EZIE ST	360
2	CASHEW BLOSSOM DR	LEAN AV	CHERRY BLOSSOM	1020
2	CHERRY BLOSSOM DR	LEAN AV	CHYNOWETH AV	1460
7	COSTA MESA DR	SANTA SUSANA WY	SAN BERNARDINO	1030
8	CUNNINGHAM AV	KING RD	E END	3265
6	DARLENE AV	PLUMMER AV	BOOKSIN AV	975
1	DOYLE RD	LAPA DR	430' S/O LAPA DR	430
1	DOYLE RD	MITTY AV	266' S/O MITTY AV	266
7	DURANT AV	LEWIS RD	HAGA DR	2850
6	EDMOND CT	E END	BOOKSIN AV	500
6	FARM DR	DOW DR	PEARL AV	1005
9	GARDEN GLEN WY	BOOKSIN AV	PLUMMER AV	910
9	GATEWOOD LN	TOBIAS DR	KOOSER AV	1370
9	GLENFIELD CT	S END	GLENFIELD DR	95
10	GLENVIEW DR	TRINIDAD DR	RAJKOVICH WY	2484
2	GOLDFIELD DR	BANGOR AV	BLOSSOM HILL RD	1605
7	HAGA DR	110'N/SINGLETON	SOUTHSIDE DR	1740
10	HAMPTON DR	HAMPTON CT	3442 FT S/O CROWN BL	2381
10	HAMPTON DR	3442'S/CROWN BL	STARLING VALLEY DR	1015
9	HARVARD DR	BLOSSOM HILL RD	PRINCETON DR	1125
3	HOBSON ST	COLEMAN AV	220' E/WALNUT	345
6	HUSTED AV	PLUMMER AV	BOOKSIN AV	935
7	INDEPENDENCE DR	DURANT AV	SENER RD	1130

CD	STREET NAME	FROM	TO	LENGTH (FT)
3	JACKSON ST E	1ST ST	4TH ST	1013
6	KEEBLE AV N	JULIAN ST W	THE ALAMEDA	635
9	KENTFIELD DR	HERSHNER DR	SCHOOL	570
3	KERLEY DR	E GISH RD	ARCHER ST	1331
4	LANEVIEW DR	MORRILL AV	WARMWOOD LN	915
1	LAPA DR	PARK MEADOW DR	DOYLE RD	1350
9	LARKSPUR DR	PLUMMER AV	BOOKSIN AV	885
3	LENZEN AV	VENDOME ST	EAST END	150
7	LOUMENA LN	SENER RD	DURANT AV	1140
6	MARCIA AV	DARLENE AV	PLUMMER AV	935
9	MARQUETTE DR	HELMOND LN	PRINCETON DR	825
6	MINNESOTA AV	MERIDIAN AV	WEAVER DR	1150
6	MINNESOTA AV	WEAVER DR	CAMINO RAMON	1300
1	MITTY AV	LAWRENCE EX	MOORPARK AV	1600
10	MOCKINGBIRD HILL LN	CITY LIMIT	ALMADEN RD	1472
4	MORRILL CT	MORRILL AV	E END	230
6	MORRISON AV S	PARK AV	SAN FERNANDO ST W	910
6	MYRTLE ST	HAMLIN ST	NEWHALL ST	375
2	OMIRA DR	LEAN AV	CALPINE DR	1374
2	ORCHARD PARK DR	HERRICK AV	MAT AV	1683
2	ORICK CT	GOLDFIELD DR	E END	225
1	PARK MEADOW CT	PARK MEADOW DR	W END	150
1	PARK MEADOW DR	MITTY AV	LAPA DR	850
1	PEARLTONE DR	RUNNYMEDE DR	EDEN AV	880
9	PETRI PL	CAMDEN AV	CARTER AV	670
7	POCATELLO CT	HUNKEN DR	E END	160
7	POCATELLO DR	HUNKEN DR	DURANT AV	695
10	RAJKOVICH WY	GLENVIEW DR	SERENITY WY	1100
10	RAJKOVICH WY	SERENITY WY	170'E/SERENITY	118
10	RAJKOVICH WY	170'W/SERENITY	390'E/SERENITY	220
10	RAJKOVICH WY	390'E/SERENITY	ALMADEN EX	391
1	RHODA DR	TOPAZ	ROEWILL	685
7	RODEO CT	RODEO DR	S END	160
9	ROSEANNA DR	JOSEPH LN	GATEWOOD LN	860
7	SAN BERNARDINO WY	EL CAJON DR	SANTA ROSA DR	1340
7	SAN GREGORIO WY	SENER RD	SANTA SUSANA WY	220
7	SAN MATEO DR	EZIE ST	SEVEN TREES BL	133
7	SAN MIGUEL WY	SANTA ROSA DR	COSTA MESA DR	1020
7	SANTA RITA WY	COSTA MESA DR	SANTA ROSA DR	1010
7	SANTA ROSA DR	SEVEN TREES BL	EZIE ST	170

CD	STREET NAME	FROM	TO	LENGTH (FT)
7	SANTA ROSA DR	EZIE ST	SANTA SUSANA WY	1980
7	SANTA SUSANA WY	SANTA ROSA DR	COSTA MESA DR	1014
7	SEBASIAN WY	EL CAJON DR	SENER RD	943
3	SEYMOUR ST	COLEMAN AV	EAST END	530
7	SOUTHSIDE DR	SENER RD	DURANT AV	1130
7	SOUTHSIDE DR	DURANT AV	CITY LIMIT	700
3	ST JOHN ST W	MONTGOMERY ST W	E/S OF BRIDGE	640
1	STARBIRD CL	BOYNTON AV	BOYNTON AV	980
9	STARVIEW DR	RUPERT DR	WOODARD RD	1110
5	STEWART AV	CITY LIMIT	ALUM ROCK AV	191
9	TIFFANY WY	FAIRDELL DR	FAIRGLEN DR	860
3	UNIVERSITY AV	STOCKTON AV	CHESTNUT ST	420
3	UNIVERSITY AV	CHESTNUT ST	COLEMAN AV	410
9	VASSAR DR	BLOSSOM HILL RD	PRINCETON DR	1133
3	VENDOME ST	150' N/COLEMAN AV	COLEMAN AV	150
1	WAGMAN DR	LAPA DR	200' S/O LAPA DR	200
3	WALNUT ST	TAYLOR ST	HOBSON ST	820
9	WAWONA DR	BENSON LN	BOOKSIN AV	810
5	WILBUR AV	CAPITOL AV S	845'E/CAPITOL A	860
1	WILL ROGERS DR	SARATOGA AV	230 E LESLIE DR	1050
1	WILL ROGERS DR	RANCHERO WY	TOPAZ AV	1090
1	WUNDERLICH	ORA ST	BOLLINGER RD	1756
1	YUBA AV	RUNNYMEDE DR	PHELPS AV	1004