

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT:** FEDERAL RECOVERY ACT TIER I  
RESURFACING PROJECT      **DATE:** 06-08-09

Approved

Date

6/11/09

**COUNCIL DISTRICTS:** 3,4,5,6,7,8,9,10

## RECOMMENDATION

- a) Adoption of a resolution authorizing the City Manager to determine the lowest responsive and responsible bidder, to award a construction contract for the Federal Recovery Act Tier I Resurfacing Project to the lowest responsive bidder, in the amount not to exceed funds appropriated for the Project, or to reject all bids and re-bid the Project.
- b) Approve a contingency equal to five percent of the award amount.

## OUTCOME

Adoption of this resolution authorizing the City Manager to determine the lowest responsive and responsible bidder and to award a construction contract to the lowest responsive bidder for the Federal Recovery Act Tier I Resurfacing Project will enable the City to take greater advantage of the summer paving season and proceed as scheduled with a project to resurface 15.3 miles of City arterial streets in 2009. 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 provide funding for any unanticipated work necessary for the proper construction and/or completion of the Project. The recommended action also supports the Transportation and Aviation Services City Service Area goal to *Preserve and Improve Transportation Assets and Facilities*.

## BACKGROUND

On February 17, 2009, President Obama signed the federal economic stimulus bill known as the American Recovery and Reinvestment Act of 2009 (Federal Recovery Act). The Valley Transportation Authority, as the agency responsible for distributing the funds as they become available at the Federal level, allocated funding in the amount of \$12,701,000 for Tier 1 projects

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to the City of San Jose. This total amount is programmed, along with \$375,000 in City funding to resurface 15.3 miles of City streets. Following the Federal guidelines, a list of City streets in need of resurfacing was developed and prioritized using the following criteria:

- Streets designated as eligible for Federal funding
- Street in the worst condition that are in need of resurfacing
- Streets that require minimum Right of Way or other permits as required by Federal and State guidelines to meet the deadlines associated with Federal Recovery Projects
- Streets not affected by current or future street-related projects

Attachment A contains the list of streets designated to receive treatment utilizing Grant Funding under the Federal American Recovery and Reinvestment Act associated with Resolution No. 74887, adopted by Council on April 28, 2009.

It is important to note that Calero Avenue, which was submitted for inclusion in the project, has been removed. Although this street segment is listed in Appendix E of the San Jose 2020 General Plan as a two lane major collector street and in the City's Pavement Management System as a Federal roadway, it was determined during final review by California DOT that it is not listed on the Federal Highway Administration (FHWA) California Road System (CRS) Functional Classification Map, and the City was directed to exclude it from this project. Efforts are underway by the City of San Jose Department of Transportation to update the FHWA Functional Classification Map with current information. Additionally, the one block, two lane fork section connecting The Alameda to the arterial section of Taylor St. was removed for the same reasons stated above. The main arterial section of Taylor St. from The Alameda to Stockton Ave. remains within the scope of the project. Every effort will be made to include these streets in a future pavement maintenance program.

Construction will begin in July 2009 with completion expected in December 2009 pending advantageous weather conditions and contractor availability.

### **ANALYSIS**

In order to complete the project in 2009 and avoid scheduling impacts to future projects, it is imperative that the construction contract be awarded in July 2009. This will allow the City to take greater advantage of the summer months by starting construction in August as opposed to later in the summer, which would likely delay project completion until the spring of 2010 and potentially impact delivery schedules for other projects next year. Bid opening is tentatively scheduled on July 02, 2009.

For these reasons, staff is recommending Council to delegate authority to the City Manager for the award of this contract. This delegation will include authority for the City Manager to hear and decide protests, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the Project.

The specifications will include the following process regarding bid protests:

1. Bid results and a Notification of Intention to Award Contract to Apparent Low Bidder by the City Manager will be posted on the Bid Hotline.
2. All bidders will be e-mailed or faxed a copy of the Notification of Intention to Award Contract and will have five (5) working days to file a formal written bid protest.
3. The City Manager will then hear and decide any timely bid protests, including issues of bidder responsiveness or responsibility and will award the contract.

Council policy provides for a standard contingency of five percent on public works projects. The funds budgeted for this project are sufficient to provide for the recommended contingency.

#### **EVALUATION AND FOLLOW-UP**

This project is currently within budget and on schedule. No additional follow up action with the Council is expected at this time.

#### **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 the Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit contractors, this project will be listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public

Works construction projects are provided to various contractor organizations and builder's exchanges.

This memorandum will be posted on the City's website for the June 30, 2009 Council agenda.

### **COORDINATION**

This memo has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

### **FISCAL/POLICY ALIGNMENT**

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

### **COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: (Engineer's Estimate)

Project Delivery	\$ 1,195,000
Construction	\$11,301,249
Contingency	\$ 579,751
<b>Total Project Cost</b>	<b>\$13,076,000</b>

2. COST ELEMENT OF CONSTRUCTION CONTRACT:

Adjustment of Utilities	\$ 392,181
Traffic Control	\$ 107,340
Asphalt Concrete Work	\$ 9,179,710
Concrete Work	\$ 1,160,400
Traffic Striping and Pavement Marking	\$ 194,058
Traffic Signals, Electrical Work	\$ 117,560
Compensation Adjustment for Price Index Fluctuations for Paving Asphalt	\$ 150,000
<b>Total Engineer's Estimate</b>	<b>\$11,301,249</b>

3. SOURCE OF FUNDING:

Fund 465\* – Construction Excise Tax Fund

\* A memo fund to Fund 465 will be created separately to track Federal Recover Act funds as well as interest earnings.

4. OPERATING COST: The proposed operating and maintenance costs of this project have been reviewed and will have no significant impact on the General Fund operating budget.

**BUDGET REFERENCE**

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

Fund #	Appn #	RC#	Appn. Name	Total Appn.	Amt. for Contract	2009-2010 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				\$13,076,000			
<b>Current Funding Available</b>							
465	5216	157183	Prop 42 Pavement Maintenance	\$6,500,000	\$375,000	V-806	N/A
New**	New		Recovery Act – Street Resurfacing and Rehabilitation	\$15,139,200***	\$10,926,249	N/A	N/A
<b>Total Current Funding Available</b>				<b>\$21,639,200</b>	<b>\$11,301,249</b>		

\* The 2009-2010 Capital Budget is scheduled for Council consideration on June 23, 2009.

\*\* A memo fund to Fund 465 will be created separately to track Federal Recovery Act funds and interest earnings.

\*\*\* Funding of \$15.1 million is proposed to be recognized and appropriated for Recovery and Reinvestment Act of 2009 funds as part of the 2009-2010 Capital Budget

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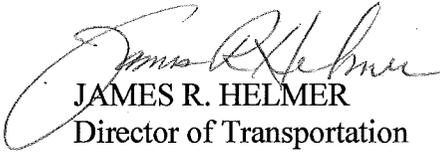
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**CEQA**

CEQA: Exempt, PP06-066.



JAMES R. HELMER  
Director of Transportation

For questions please contact Dale Dapp, Pavement Services Manager, at 277-8147.

## ATTACHMENT A

### San Jose Federal Recovery Act Tier I Resurfacing Project

CD	Street Name	From	To	Length (ft)
6	ALMA AV W	910'w/LICK AV	MINNESOTA AV	1185
3 and 7	ALMA AV W	LITTLE ORCHARD	VINE ST	450
3 and 7	ALMA AV W	VINE ST	LICK AV	920
7	ALMADEN RD	ALMADEN EXPY	W ALMA AV	1585
9	BRANHAM LN EB	ALMADEN EX	PEARL AV	2950
10	BRANHAM LN WB	PEARL AV	ALMADEN EX	2950
4	CROPLEY AV	PIEDMONT RD	MORRILL AV	4640
9	FOXWORTHY AV	615'E/UNION AV	LEIGH AV	2027
9	FOXWORTHY AV	UNION AV	615'E/UNION AV	615
8	SILVER CREEK RD	MARSH MANOR WY	COLT WY	693
8	SILVER CREEK RD	COLT WY	YERBA BUENA RD	1560
8	SILVER CREEK RD NB	MARSH MANOR WY	CAPITOL EX	860
8	SILVER CREEK RD SB	CAPITOL EX	MARSH MANOR WY	842
10	SNELL AV NB	ROSENBAUM AV	CAPITOL EX	1830
10	SNELL AV NB	BRANHAM LN	ROSENBAUM AV	3360
10	SNELL AV SB	CAPITOL EX	ROSENBAUM AV	1825
10	SNELL AV SB	ROSENBAUM AV	BRANHAM LN	3260
6	TAYLOR ST W	THE ALAMEDA	STOCKTON AV	2040
7	TULLY RD	780'E/LA RAGION	LUCRETIA AV	1000
7	TULLY RD EB	SENER RD	LA RAGIONE AV	930
7	TULLY RD EB	LA RAGIONE AV	780'E/LA RAGION	780
7	TULLY RD WB	LA RAGIONE AV	SENER RD	930
7	TULLY RD WB	780'E/LA RAGION	LA RAGIONE AV	780
5	WHITE RD S	MT VISTA DR	700'S/MT VISTA	740
5	WHITE RD S	700'S/MT VISTA	OCALA ST	1900
6	WILLOW ST	LELONG AV	MINNESOTA AV	400
6	WILLOW ST	MINNESOTA AV	WARREN AV	1600
6	WILLOW ST	WARREN AV	CHABRANT WY	910
6	WILLOW ST	LINCOLN AV	CHABRANT WY	1245