



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

SUBJECT: 2010 PROPOSITION 1B STREET
RESURFACING PROJECT

DATE: 04-19-10

Approved

Date

4/26/10

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Report on bids and award of contract for the 2010 Proposition 1B Street Resurfacing Project to the low bidder Top Grade Construction Inc. in the amount of \$2,838,698, and approval of a 5% contingency in the amount of \$141,935.

OUTCOME

Approval of this construction contract will allow for approximately 8.7 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 five 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 large decreases in funding which have led to an estimated deferred maintenance backlog of approximately \$249 million. Included in this backlog are approximately 425 miles of streets in poor condition and in need of resurfacing, of which about 350 miles are residential streets.

The State Proposition 1B funds will be utilized for this project to resurface approximately 8.7 miles of residential 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 conditions appropriate for specified treatment

- 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 or unique needs
- Streets with shared maintenance responsibilities with other jurisdictions
- Streets not affected by current or future street-related projects
- Continuity of street segments (create multiple, continuous segments)
- Appropriate distribution of street maintenance throughout the City

Attachment A contains the list of residential streets to be resurfaced. It should be noted that the list could be slightly altered as unforeseen circumstances arise or new information regarding other street-related projects becomes available.

ANALYSIS

Bids for this project were received on March 25, 2010 with the following results:

Contractor	City	Bid Amount	Variance Amount	% Over/Under Estimate
Interstate Grading & Paving, Inc.	South San Francisco	\$3,492,812	\$189,469	5.74%
Bay Cities Paving & Grading, Inc.	Concord	\$3,377,460	\$74,117	2.24%
Wattis Construction Co, Inc.	San Jose	\$3,329,896	\$26,553	0.80%
Engineer's Estimate		\$3,303,343		
O'Grady Paving Inc.	Mountain View	\$3,155,337	(\$148,006)	-4.48%
Granite Rock Company DBA, Pavex Construction Division	San Jose	\$3,120,027	(\$183,316)	-5.55%
G. Bortolotto & Co., Inc.	San Carlos	\$2,988,817	(\$314,525)	-9.52%
MCK Services, Inc.	Martinez	\$2,985,010	(\$318,333)	-9.64%
Granite Construction Company	Santa Clara	\$2,977,091	(\$326,252)	-9.88%
Gallagher & Burk, Inc.	Oakland	\$2,896,315	(\$407,028)	-12.32%
Top Grade Construction, Inc.	Livermore	\$2,838,698	(\$464,645)	-14.07%

The bid documents have been evaluated and found to be in order. The low bid submitted by Top Grade Construction, Inc. is 14.07% below the Engineer's Estimate. The Engineer's Estimate for this project is \$3,303,343. The estimate was based on bids received from similar past projects, current estimated construction prices and with the consideration of an increase in asphalt price.

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 projects involving street resurfacing and sealing. Staff considers the standard contingency appropriate for this project.

Construction is scheduled to begin in June 2010 and will be completed in November 2010.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule with a projected completion in November 2010. No additional follow up actions with the Council are 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 Criterion 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 also provided to various contractor organizations and builder's exchanges.

This award memo will be posted on the City's website for the May 11, 2010 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 schedule and lane closures to affected businesses and residents. To inform traveling motorists of upcoming construction activities and potential traffic delays, changeable message signs may be used on selected streets stating the schedule dates and time for work to occur on the street.

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 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. COST OF PROJECT:

Project Delivery/Development	\$340,644
Construction Contract	\$2,838,698
Contingency	<u>\$141,935</u>

TOTAL PROJECT COSTS: \$3,321,277

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Adjust Manhole, Valves, Monuments	\$134,900
Traffic Signals and Electrical Work	\$1,700
Asphalt Concrete Pavement	\$2,294,380
Concrete Work	\$217,080
Traffic Striping/Markings	\$23,278
Police Traffic Control and Misc. Items	\$7,800
Slurry Seal Application	\$99,560
Fluctuations for Paving Asphalt (Binder) Compensation	
Adjustment for Price Index	<u>\$60,000</u>

TOTAL CONSTRUCTION CONTRACT COSTS: \$ 2,838,698

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

Fund #	Appn #	RC#	Appn. Name	Total Appn	Amt. for Contract	2009-2010 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	6174	158885	Proposition 1B Pavement Maintenance	\$9,567,000	\$2,838,698	V-990	10/20/2009, Ord. No. 28653
Total Current Funding Available =				\$9,567,000	\$2,838,698		

CEQA

Exempt, File No. PP06-066

/s/

HANS F. LARSEN
Acting Director of Transportation

For questions please contact Rene Cordero, Division Manager, at 277-8147

Attachment

ATTACHMENT A

2010 Residential Resurfacing

CD	Street Name	From	To
1	ACAPULCO DR	FENIAN DR	WREN WY
2	BANGOR AV	ORCHARD PARK DR	HERMA ST
2	BANGOR AV	HERMA ST	TONOPAH DR
2	BRANHAM LN EAST	150 S/O BATTLE DANCE DR	GREY GHOST
2	BRANHAM LN EAST	BATTLE DANCE DR	150 S/O BATTLE DANCE DR
9	BRYAN AV	ALMADEN EX	CHERRY AV
6	BYERLEY AV	LINCOLN AV	GLEN UNA WY
9	CARDIN AV	WILLOWMONT AV	SHAW DR
7	CAS DR	LOS ARBOLES	EZIE ST
2	CHRIS DR	COPCO LN	ROHN WY
9	CHURCH DR	ELECTRA AV	MARKS AV
2	COLVILLE DR	BANGOR AV	ZILEMAN DR
2	COPCO LN	LEAN AV	CALPINE DR
9	CORNING DR	SHAW DR	CHAMBERS DR
9	CORNING DR	CHAMBERS DR	WILLOWMONT AV
9	ELECTRA AV	BRYAN AV	KIMBERLY DR
9	ESTELLE AV	THOMPSON AV	CARDIN AV
9	FAIRDELL DR	ANDALUISA WY	HUSTED AV
9	FAIRHAVEN CT	FAIRHAVEN DR	S END
9	FAIRHAVEN DR	INVICTA DR	OVERBROOK DR
9	GABLE LN	MARY JO WY	HARLOW WY
2	GRANDIN CT	COLVILLE DR	E END
9	HARLOW WY	GABLE LN	BLOSSOM HILL RD
9	HAUCK DR	ZISCH DR	INVICTA WY
9	HUGO LN	QUINLAN LN	ELECTRA AV
9	KIMBERLY CT	ELECTRA AV	W END
1	KINGSTON WY	MANITOBA DR	WESTMONT AV
4	LAKWOOD DR	CROPLEY	SIERRAWOOD DR
9	LUPINE CT	FAIRHAVEN DR	S END
9	MARKS AV	BRYAN AV	WILLOWMONT AVE
9	MYRTLE AV	Overbrook Dr.	INVICTA WY
9	OVERBROOK DR	MYRTLE AV	HILLSDALE AV
10	PRINCE ROYAL PL	BRANHAM LN	N END
9	QUARTZ WY	MARKS AV	ELECTRA AV
1	RINCON AV	CITY LIMIT	SAN TOMAS AQUIN
2	ROHN WY (northside)	CHRIS DR	350 ' W/O CHRIS DR
10	ROYAL FOREST CT	BRANHAM LN	N END
10	ROYAL GROVE CT	BRANHAM LN	N END
9	THOMPSON AV	SHAW DR	ESTELLE AV
9	WILLOWDALE DR	WILLOWPARK DR	MERIDIAN AV

ATTACHMENT A

2010 Residential Resurfacing

CD	Street Name	From	To
9	WILLOWDALE DR	WILLOWVIEW DR	BLOSSOMVIEW DR
9	WILLOWGATE DR	WILLOWPARK DR	MERIDIAN AV
9	WILLOWMONT AV	ELECTRA AV	ZISCH DR
9	WILLOWOOD DR	WILLOWMONT AV	JACOB AV
9	WILLOWPARK DR	WILLOWMONT AV	JACOB AV
9	WILLOWVIEW DR	JACOB AV	WILLOWMONT AV
9	ZISCH DR	WILLOWMONT AV	MYRTLE AV