



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

SUBJECT: MONTEREY ROAD RESURFACING
AND REHABILITATION PROJECT

DATE: 05-31-11

Approved

Date

6/3/11

COUNCIL DISTRICT: 2

RECOMMENDATION

- a) Adoption of a resolution authorizing the Director of Public Works to:
1. Determine the lowest responsive and responsible bidder and to award a construction contract for the 2010 STP Resurfacing and Rehabilitation Project—Monterey Road to the lowest responsive bidder, in an amount not to exceed the funds appropriated for the project, or to reject all bids and re-bid the project; and
 2. Determine whether or not to award the “green” resurfacing process bid alternate as part of the construction contract, provided that awarding this bid alternate would not cause the construction contract to exceed the amount of funds appropriated for the project.
- b) Approve a contingency equal to five percent of the base contract award amount.

OUTCOME

Adoption of this resolution authorizing the Director of Public Works to determine the lowest responsive and responsible bidder and to award a construction contract to the lowest responsive bidder will enable the City to resurface and rehabilitate Monterey Road between Blossom Hill Road and Bernal Road during this summer’s paving season. Resurfacing the street will improve the structural integrity, appearance, and ride quality of the street. Approval of a five percent contingency will provide funding for any unanticipated work necessary for the proper construction and/or completion of the project.

BACKGROUND

The Department of Transportation (DOT) regularly performs street resurfacing projects as funding allows. For the 2011 construction season, DOT will be utilizing available Federal and State funds to resurface Monterey Road between Blossom Hill Road and Bernal Road. This section of Monterey Road was last maintained in 1996 with a preventive maintenance surface seal treatment. The street is now in very poor condition with much of the pavement worn away, failed, and at the end of its useful life.

The project will remove the top layer of asphalt, fix any underlying roadway damage, repair any severe damage to the curb and gutter, install legally required curb ramps, resurface the entire street with two to four inches of new rubberized asphalt concrete, and install new roadway striping and markings.

In addition to using rubberized asphalt concrete for the new road surface, the project specifications will include a bid alternative for utilizing a "green" resurfacing process that recycles the existing roadway materials where feasible into the new street surface. The benefits of this process, if it can be accomplished within available funding, will be less consumption of raw materials, fewer truck trips, and less waste material, and may lead to lower construction costs. Staff will evaluate these benefits along with the bid prices for the alternative process to determine if it will be utilized during construction.

ANALYSIS

Award of the project must occur in FY 2011-2012 due to the timing and availability of funding. However, in order to complete construction in 2011, it is necessary that the project be awarded in July 2011. Therefore, staff is recommending that the City Council delegate authority to the Director of Public Works for the award of this project. This delegation will include authority for the Director of Public Works 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 Director of Public Works 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 Director of Public Works will then decide any timely bid protests, including issues of bidder responsiveness or responsibility and will award the project.

Bid opening for this project is set for July 7, 2011. Construction is scheduled to begin in September 2011 and will be completed before the end of October 2011.

City 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

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 will be listed on the City's Internet Bid Line and advertised in the *San José Post Record* and bid packages for this construction project were also provided to various contractor organizations and builders' exchanges.

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 Department of Public Works, City Attorney's Office, and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This project supports the Transportation and Aviation Services City Service Area goal to *Preserve and Improve Transportation Assets and Facilities* and aligns with the recommended Pavement Maintenance Core Service goal of improving the City's street pavement conditions and Pavement Condition Index (PCI) from a current network condition rating of "fair" (64 PCI) to a network condition of "good" (70 PCI). 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: (Engineer's Estimate)

Project Delivery/Development	\$537,454
Construction	\$5,374,544
Contingency	<u>\$268,727</u>
TOTAL PROJECT COSTS:	\$6,180,725

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Asphalt Paving	\$4,925,715
Concrete Work	\$176,008
Striping/Markings	\$68,385
Electrical Work	\$17,080
Police Traffic Control and Misc. Items	<u>\$187,356</u>
TOTAL CONSTRUCTION CONTRACT COSTS:	\$5,374,544

3. SOURCE OF FUNDING: 465- Construction Excise Tax

4. FISCAL IMPACT: This project will have 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, including project delivery, construction, and contingency costs.

Fund #	Appn #	RC #	Appn. Name	Total Appn	Amt. for Contract	2010-2011 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	7280	166815	2010 STP Resurfacing and Rehabilitation	* \$700,000	\$ 6,180,725	N/A	02/08/2011, Ord. No. 28888
Total Current Funding Available =				\$700,000	\$ 6,180,725		

* Additional funding of \$5,481,000 will be allocated as part of the year-end budget clean-up process from available Grant Funding dedicated to street resurfacing.

CEQA

Exempt, File No. PP11-035.

/s/

HANS F. LARSEN
Director of Transportation

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