



DATE: November 19, 2024

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Authorizing the City Manager to Increase the Total Construction Contract Amount Not-to-Exceed \$16,373,134 due to increase in Contingency from \$855,050 to \$1,078,184

RECOMMENDATION

That Council adopts resolution (Attachment II):

1. Authorizing the City Manager to increase the construction contingency in the contract with Bay Cities Paving & Grading, Inc., for the FY23 Pavement Improvement Project (FY23 PIP), Project No. 05240, by \$223,134, from \$855,050 to \$1,078,184 for a total construction contract amount not-to-exceed \$16,373,134.

SUMMARY

The FY23 PIP commenced in June 2023 and construction was completed in March 2024. The project involved the rehabilitation of eighty-six (86) street segments and micro-surfacing of twenty (20) street segments for a total of one hundred and six (106) street segments. This project increased the citywide pavement condition index (PCI) for 2023 from 70 to 73. The FY24 PIP increased the citywide PCI for 2024 from 73 to 76 and is the highest the City has been able to achieve in decades.

During construction of the FY23 PIP, the contractor, Bay Cities Paving & Grading, Inc., (Bay Cities) was asked to perform work on other City projects that were in construction at the same time as was the FY23 PIP. This was due to unforeseen work on the other City projects and the unavailability of similar contractors or to the cost escalation when small quantities of pavement are needed. The work on these projects was performed under change orders to the Bay Cities contract and was reimbursed to the FY23 PIP budget from the other projects.

Staff requests to increase the construction contingency in the contract with Bay Cities for the FY23 Pavement Improvement Project, Project No. 05240, by \$223,134, from \$855,050 to \$1,078,184 for a total construction contract amount not-to-exceed \$16,373,134.

BACKGROUND

On April 26, 2022¹, Council approved a project list for the SB1 FY23 PIP Funding. A resolution was required to submit an application to the California Transportation Commission (CTC) to receive \$3,000,000 in funding for pavement improvement.

On June 7, 2022², Council adopted a resolution authorizing the City Manager to execute Amendment No. 4 to the Professional Services Agreement (PSA) with Pavement Engineering, Inc., (PEI) for engineering services associated with the FY23 PIP. The scope of work for PEI was limited to engineering review, pavement evaluation, measurement of field quantities, curb ramp design, and construction support.

At the October 26, 2022³, Council Infrastructure Committee (CIC) meeting, staff presented the FY23 PIP including street selection criteria, treatment types, and budget allocations.

On February 28, 2023⁴, Council approved the plans and specifications for the FY23 PIP and called for bids to be received on March 28, 2023.

On April 25, 2023, Council adopted a resolution awarding a contract to Bay Cities, for the FY23 Pavement Improvement Project, Project No. 05240, in the amount of \$15,294,950 and authorizing an administrative change order budget of \$855,050.

DISCUSSION

Bay Cities performed various change order work during the construction of the FY23 PIP on other City projects that were under construction at the same time as was the FY23 PIP. The FY23 PIP budget was reimbursed for these change orders from the other City projects. The change orders to the FY23 PIP from work performed on other City projects are described below:

- Paved two intersections for the Safe Route for Seniors Project No. 05309: Watkins Avenue/D Street intersection and Montgomery/B Street intersection. The Safe Route for Seniors Project reimbursed the FY23 PIP for this work in the amount of \$257,127 which was \$90,000 less than quoted by the contractor for the Safe Routes for Seniors project due to lower unit prices provided by Bay Cities.
- Performed trench paving on Carroll Ave. for the FY22 Sewer Line Replacement Project, Project #07761. The FY22 Sewer Line Replacement Project reimbursed the FY23 PIP for this work in the amount of \$75,000. This work expedited the completion of sewer replacement work on Carroll Ave. and allowed the project to remain on schedule and to minimize disruption as Bay Cities was already mobilized.
- Converted sewer risers to sewer manholes for Oro Loma Sewer District (OLSD). OLSD reimbursed the FY23 PIP for this work in the amount of \$99,600. This work allowed the utility upgrade work to be completed before paving the road and

¹ [CITY OF HAYWARD - File #: CONS 22-252 \(legistar.com\)](#)

² [CITY OF HAYWARD - File #: CONS 22-331 \(legistar.com\)](#)

³ [CITY OF HAYWARD - File #: ACT 22-100 \(legistar.com\)](#)

⁴ [CITY OF HAYWARD - File #: CONS 23-082 \(legistar.com\)](#)

provided a better overall product for various streets in the Longwood Winton Grove and Santa Clara neighborhoods.

The construction contingency increase of \$223,134 is a 1.4% increase in the current not-to-exceed contract amount of \$16,150,000. It also increases the construction contingency from 5.3% (\$855,060) to 6.6% (\$1,087,184). A typical construction contingency budget is 10% of the total contract amount.

ECONOMIC IMPACT

Repaving City streets is beneficial for both residents and people travelling within the City, reducing damage to vehicles and creating an environment that is well maintained. This maintenance may spur further investment in the City.

FISCAL IMPACT

Project costs are as follows:

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|--|---------------------|
| • Design and Contract Administration | \$345,391 |
| • Construction Inspection and Testing | \$875,202 |
| • <u>Bay Cities' Construction Cost</u> | <u>\$16,373,134</u> |

Total: \$17,593,727

The project is funded by the City's CIP Program with Direct Local Distribution (Gas Tax, Measure BB, Measure B, and vehicle registration fees), State RRAA (SB1) funds. There is no impact on the General Fund.

The project funding sources are as follows:

- | | |
|---|--------------------|
| • 210 - Gas Tax | \$3,470,000 |
| • 211 - RRAA (SB1) | \$3,350,000 |
| • 212 - Measure BB - Local Transportation | \$7,552,727 |
| • 215 - Measure B - Local Transportation | \$1,391,000 |
| • 218 - Vehicle Registration Fee | \$632,000 |
| • <u>450 - Street System Improvements</u> | <u>\$1,198,000</u> |

Total: \$17,593,727

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project(s):

- | | |
|---------------------|--|
| Project 5, Part 5a: | Maintain Pavement Condition Index (PCI) at 70. |
| Project 5, Part 5c: | Construct various OHHA Pavement Improvements |

SUSTAINABILITY FEATURES

The project required the contractor to recycle all construction and demolition debris generated from the project.

This project is consistent with City's Complete Streets Policy and improves travel for all users including:

- Improved pavement for motorists
- Additional bike lanes and sharrows for bicyclists
- More visible pavement markings for pedestrians, including near school zones
- New or upgraded curb ramps to meet the recently revised Caltrans standards for pedestrians

The project satisfies the following General Plan policies:

- PFS-7.10 Recycled Products or Processes for Capital Projects
- HQL-2.5 Safe Routes to School
- HQL-2.6 Education on Sharing the Road
- M-1.7 Eliminate Gaps (in pedestrian networks)
- M-3.1 Serving All Users
- M-5.1 Pedestrian Needs
- M-5.6 Safe Pedestrian Crossings
- M-6.2 Encourage Bicycle Use

PUBLIC CONTACT

Before construction commenced, a preliminary notice explaining the project was posted and distributed to all residents and businesses along the affected streets. During construction, signs on barricades were posted seventy-two hours prior to commencement of work indicating the date and time of work for each street.

NEXT STEPS

Process last payment to contractor and close project December 2024

Prepared by: Yama Farouqi, Associate Civil Engineer
 Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Dustin Claussen, Interim City Manager