



DATE: February 26, 2019

TO: Mayor and City Council

FROM: Interim Director of Public Works

SUBJECT: FY 19 Pavement Rehabilitation and Preventive Maintenance Project: Award of Construction Contract

RECOMMENDATION

That the Council approves Addendum No. 1 consisting of revisions to the plans and specifications for the FY 19 Pavement Rehabilitation and Preventive Maintenance Project and adopts the attached resolution (Attachment II) awarding the contract for the project to O'Grady Paving Inc., in an amount not-to-exceed \$5,471,000.

SUMMARY

The FY 2019 Pavement Project calls for the rehabilitation and preventive maintenance of thirty-eight City street sections (Attachment III). The proposed improvements will repair failed pavement sections and improve street surfaces.

On January 15, 2019, the project received six bids. All bids were significantly less than the engineer's estimate. At \$4,064,057, the low bid received is \$1,147,088 below the engineer's estimate and provides an opportunity to add other street section(s) to take advantage of the reasonable unit prices. Because the amount budgeted for the project was based on the engineer's estimate and exceeds the bid for the proposed rehabilitation and preventive maintenance of thirty-eight City street sections, staff is requesting that additional work to Hesperian Boulevard, from Industrial Parkway to the City limits, be added to the project. This additional work has been valued at \$1,406,943 and makes up the difference between the bid the City received and the contract amount proposed of \$5,471,000.

Staff recommends award of contract to the responsible low bidder, O'Grady Paving Inc., in the amount of \$5,471,000.

The project budget of \$6,696,000 is funded via the Gas Tax, Measure B, Measure BB, Vehicle Registration Fee, and Road Repair and Accountability Act (SB1) funds.

BACKGROUND

The street selection for the annual Pavement Rehabilitation and Preventive Maintenance Project is based on staff's analysis using several criteria described below:

- **Technology** – The Pavement Management Program (PMP)¹ evaluates current and predicts future roadway conditions. It provides logical and efficient methods of identifying street rehabilitation needs. It also determines the most cost-effective allocation of funds to the street segments needing preventive maintenance, rehabilitation, or reconstruction. Staff utilized the PMP to compile an initial list of recommended streets. This list is then revised to consider other criteria and project budget allocation parameters.
- **Internal Reports** - Reports from the City's Maintenance Services staff on streets needing repair were considered.
- **Council Input** – Council member requests for selecting streets were considered and compared to recommendations from the PMP.
- **Public Input** - Public requests for selecting streets were considered and compared to recommendations from the PMP.
- **Street Classification** – Reserve arterial streets to be funded via grants.
- **Funding Availability** – Available funding and the potential for obtaining outside grant funding was evaluated.

The project involves two treatment types:

1. **Pavement Rehabilitation** – for severely deteriorated streets, this treatment will include overlay with spot repair and pavement fabric.
2. **Preventive Maintenance** – to keep streets in good condition, this treatment will include micro-surfacing including spot repair and crack sealing.

On April 25, 2018, staff presented to the Council Infrastructure Committee (CIC) a review of the FY 19 Pavement Rehabilitation and Preventive Maintenance Project, including street selection criteria, treatment types, and budget allocations.

On December 11, 2018, Council approved the plans and specifications for the FY 19 Pavement Rehabilitation and Preventive Maintenance Project and called for bids to be received on January 15, 2019.

DISCUSSION

On November 29, 2017, the CIC approved the following project allocation parameters:

1. Minimum 20% of project budget allocated to preventive maintenance treatment
2. Maximum 80% of project budget allocated to rehabilitation treatment
3. 15% of the combined treatments allocated to streets located within Industrial Hayward

¹ The PMP is a Metropolitan Transportation Commission (MTC) recommended software program.

4. 10% of the combined treatments allocated for streets having PCI of less than 30

Based on staff's analysis using the criteria described above, the current list of streets differs slightly from the listed goals:

Project Budget Allocation	Goal	Current Performance
Preventive Maintenance Treatment	20% minimum	38%
Rehabilitation Treatment	80% maximum	62%
Streets Located in Industrial Hayward	15% minimum	10%
Streets with PCI Less than 30	10% minimum	18%

The project also includes new bike lanes and sharrows. Green paint striping, which is used in areas of conflict between bicyclists and vehicular traffic is not recommended for the streets in this project, as these streets are not in high conflict areas.

On January 9, 2019, staff published Addendum No. 1 which includes minor revisions to the plans and specifications and provided clarification to questions by contractors.

On January 15, 2019, six (6) bids were received for the FY 19 Pavement Rehabilitation and Preventive Maintenance Project (Attachment IV). O'Grady Paving Inc., of Mountain View, submitted the lowest bid in the amount of \$4,064,057 which is 22% lower than the Engineer's Estimate of \$5,211,145. Interstate Grading & Paving Inc., of South San Francisco, submitted the second lowest bid in the amount of \$4,097,956, which is 21.4% lower than the Engineer's Estimate.

All bids were significantly less than the engineer's estimate. This can be related to the decision to conduct the bid process in the construction off-season, which is the slow period for contractors and thus allows more time to prepare and submit bids.

The low bid received provides an opportunity to increase the project scope. Staff is proposing to use the savings over the budgeted amount to complete pavement rehabilitation on Hesperian Boulevard, from Industrial Parkway to the City limits, to the project. Including this segment of Hesperian not only would address a need related to the physical condition of this segment, but also would increase the percentage of funds expended to rehabilitate streets in the Industrial area in accordance with the approved criteria. Staff will notify Council of any additional streets to be included in the project, should enough funds remain available after including the Hesperian Boulevard section.

All bid documents and licenses are in order. Staff recommends award of the contract to the responsible low bidder O'Grady Paving Inc., in the amount of \$5,471,000.

This project is categorically exempt from Environmental review under Section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

ECONOMIC IMPACT

The project is funded by City's Capital Improvement Program and State Road Repair and Accountability Act (SB1) funds. Improved streets and roads add to the economic vitality of the City.

FISCAL IMPACT

Project funding sources are as follows:

210 - Gas Tax	\$370,000
212 - Measure BB – Local Transportation	\$51,000
215 - Measure B – Local Transportation	\$3,150,000
218 – Vehicle Registration Fee	\$50,000
211 – RRAA (SB1)	<u>\$3,075,000</u>
<i>Total:</i>	\$6,696,000

Estimated project costs are as follows:

Design and Contract Administration (Consultant & Staff)	\$475,000
Construction Inspection and Testing	\$750,000
Construction Contract	\$4,064,057
Construction Contingency – Administrative Change Orders	<u>\$1,406,943</u>
<i>Total:</i>	\$6,696,000

The administrative change order amount includes sufficient funding for possible inclusion of the Hesperian Boulevard segment, from Industrial to the City's southern boundary.

STRATEGIC INITIATIVES

This project supports the Complete Streets Strategic Initiative. The purpose of the Complete Streets Initiative is to build and maintain streets that are safe, comfortable, and convenient for travel for everyone, regardless of age or ability; including motorists, pedestrians, bicyclists, and public transportation riders. This project supports the following goal and objectives:

Goal 1: Prioritize safety for all modes of travel.

Objective 1: Reduce the number of fatal and non-fatal traffic accidents in the City through engineering evaluation of major intersection and corridors.

Objective 3: Ensure that roadway construction and retrofit programs include complete streets elements. This project ensured that consideration was given to all users of the street, including pedestrians, bicyclists, transit users, senior citizens, and school children, in addition to vehicular traffic.

SUSTAINABILITY FEATURES

The project requires the contractor to recycle all construction and demolition debris as a result of 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

Immediately after the construction contract is awarded, a preliminary notice explaining the project will be posted and distributed to all residents and businesses along the affected streets. After the construction work has been scheduled, signs on barricades will be posted seventy-two hours prior to commencement of work indicating the date and time of work for each street. Residents will be advised to park their vehicles on side streets outside of the work area during the period when the streets are being treated.

NEXT STEPS

Begin Work	March 2019
Complete Work	July 2019

Prepared by: Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Interim Director of Public Works

Approved by:



Kelly McAdoo, City Manager