



DATE: April 23, 2024

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Awarding a Contract to MCK Services, Inc., for the FY24 Pavement Improvement Project, Project No. 05242, in the Amount of \$12,365,205 and Authorizing an Administrative Change Order Budget of \$969,795

RECOMMENDATION

That the Council adopts a resolution (Attachment II) approving Addendum No. 1 and 2 consisting of revisions to the plans and specification for the FY24 Pavement Improvement Project (PIP) and awarding the contract for the project to MCK Services, Inc., (MCK) in the amount of \$12,365,205 and authorizing an administrative change order budget of \$969,795 for a total not to-exceed contract amount of \$13,335,000.

SUMMARY

The FY24 PIP calls for the rehabilitation of eighty-seven (87) street segments and preventive maintenance of thirty-eight (38) street sections for a total of one hundred and twenty-five (125) street segments (Attachment III). The proposed improvements will repair failed pavement segments and improve street surfaces.

On March 23, 2024, the project received five (5) bids. Only one of the five bids was under the Engineer’s Estimate of \$12,425,000. At \$12,365,205, the low bid received is \$59,795 or 0.48% under the Engineer’s Estimate.

Staff recommends award of the contract to the responsible low bidder, MCK, in the amount of \$12,365,205 and authorizing a potential administrative change order budget of \$969,795 to be used at the discretion of the Director of Public Works for potential change order work.

The project budget of \$14,300,000 is funded via the Gas Tax, Road Repair and Accountability Act (RRAA) (SB1), Measure BB, Vehicle Registration Fees, Measure C, and Street System Improvement funds.

BACKGROUND

On April 25, 2023¹, staff recommended Council approve a project list for the SB1 FY24 PIP Funding. A resolution was required to submit an application to the California Transportation Commission (CTC) to receive an estimated \$4,000,000 in funding for pavement improvement.

On April 25, 2023², Council adopted a resolution authorizing the City Manager to execute Amendment No. 5 to the Professional Services Agreement (PSA) with Pavement Engineering, Inc., (PEI) for engineering services associated with the FY24 PIP. The scope of work for PEI is limited to engineering review, pavement evaluation, measurement of field quantities, curb ramp design, and construction support.

On March 5, 2024³, Council approved the plans and specifications for the FY24 PIP and called for bids to be received on March 26, 2024.

On March 14, 2024, staff issued Addendum No. 1 to revise plans and specifications and called for bids to be received on April 2nd, 2024.

On March 25, 2024, staff issued Addendum No. 2 to revise plans and specifications and called for bids to be received on April 3rd, 2024.

On April 3, 2024, five (5) bids were received, one of five bids were under the Engineer's Estimate. At \$12,365,205 the low bid received by MCK Services, Inc., of Concord, is \$59,795, or 0.48%, above the Engineer's Estimate of \$12,425,000. DeSilva Gates Construction LLC of Concord, submitted the second lowest bid in the amount of \$12,677,970 which is 2.04% above the Engineer's Estimate.

The PIP involves one of four types of treatments:

Pavement Rehabilitation:

- 1) Standard overlay of the existing street pavement with new Hot Mix Asphalt surfacing.
- 2) Cold-In-Place Recycling (CIR), which involves removing the top layer of asphalt, mixing the removed aggregates with a recycling agent and other additives on-site, replacing this pavement material onto the same roadway, then applying a Hot Mix Asphalt overlay.
- 3) Full Depth Reclamation (FDR), which consists of pulverizing and mixing distressed asphalt and underlying pavement materials with or without the addition of stabilizing agents; using the resulting material as a base for the renewed pavement structure and adding a new Hot Mix Asphalt cap.

Preventive Maintenance:

- 4) Varying combinations of: crack sealing, 6" spot repair and micro-surfacing.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6187472&GUID=C0AC963F-3981-4D57-A874-6874160A119B&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=4548864&GUID=6506EE24-A2C3-455B-92E1-8A42B60887B1&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6561050&GUID=CD1E5F91-5892-483D-B4D0-F51FD96391CC&Options=&Search=>

Street selection for the PIP is based on staff's analysis using several criteria described below:

- **Technology** – The Pavement Management Program (PMP)⁴ 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.
- **Social Equity** – Whether a particular area of the City has received its fair share of improvements in the past.
- **Internal Reports** - Reports from the City's Maintenance Services staff on streets needing repair were considered.
- **Council Members Input** – Council member requests for selecting streets were considered.
- **Public Input** - Public requests for selecting streets were considered.
- **Geographic Location** – Selecting streets in close vicinity to help lower construction bids was considered.
- **Funding Availability** – Available funding and potential for obtaining outside grant funding was evaluated.

The Pavement Condition Index (PCI) is an overall rating of road conditions. The PCI of each arterial and collector street segment is evaluated by an independent third-party every other year, and each residential street segment is evaluated every five years.

<u>PCI Rating</u>	<u>Description</u>
100	This rating is given to newly constructed or rehabilitated roadways.
85 - 99	Highly functional roadway. No action required.
70 - 85	Roadway can be maintained ("preventive maintenance") with crack sealing, slurry seals, micro-surfacing, and some minor, localized pothole repairs. As the roadway pavement ages, preventive maintenance may not be effective after a few maintenance cycles.
40 - 70	Extensive "dig-outs," grinding, fabric, or asphalt overlays may be required to maintain (or "rehabilitate") roadways.

⁴ The PMP is a Metropolitan Transportation Commission (MTC) recommended software program.

0 - 40	Roadway requires complete reconstruction using full depth reconstruction, cold in place recycling, or hot in-place recycling methods. If a street deteriorates beyond certain points, it becomes progressively more expensive to bring that street back to the desired standard.
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As part of the 2018 Capital Improvement Program (CIP) agenda item at the September 26, 2017⁵ CIP meeting, Council reviewed and agreed to the following budget allocations for annual pavement improvement projects:

- Minimum 20% for preventive maintenance (streets with PCI of 70-85).
- Minimum 15% for streets located in Industrial Hayward as recommended by the Economic Development Strategic Plan in 2014.
- Minimum 10% for deteriorated streets (streets with PCI of 0-30).

DISCUSSION

Based on staff's analysis using the criteria described above, the project parameters are as follows:

Project Budget Allocation	Goal	Current Performance	Difference
Preventive Maintenance Treatment	20% minimum	20%	0%
Streets Located in Industrial Hayward	15% minimum	5%	-10%
Streets with PCI Less than 30	10% minimum	55%	45%

The project budget allocation is skewed away from industrial streets due to heavy emphasis in previous years (FY22 PIP and FY23 PIP) to pave industrial streets including: West Winton Ave, Cabot Blvd, Depot Rd, Mack St, Investment Blvd, Eden Landing Rd, Corporate Ave, etc.

The project budget allocation is skewed towards streets in very poor condition (PCI less than 30) due to various reasons:

- Increasing social equity by paving streets in lower socioeconomic neighborhoods. FY24 PIP is emphasizing streets in the Mt Eden and Glen Eden neighborhoods and have numerous streets which have not been paved in 25+ years, including West Tennyson Rd, Thayer Ave, Portsmouth Ave, and Panama St.

This selection requires both judgement and experience. Staff has engaged an experienced consultant, PEI to confirm the selection of streets segments, the approximate level of treatment for each and provide engineering support services.

⁵ [CITY OF HAYWARD - File #: CONS 17-588 \(legistar.com\)](#)

11.6 miles of bike lane striping will be installed at the following locations:

6.6 centerline miles of Class II Bike Lanes:

- Corsair Blvd, West Winton Ave to Sabre St (0.5 miles)
- Corsair Blvd, Sabre St to Barricade (1.1 miles)
- Cryer St, Industrial Blvd to Adrain Ave (0.9 miles)
- Gettysburg Ave, Cryer St to Depot Rd (0.8 miles)
- Portsmouth Ave, West Tennyson Rd to Baumberg Ave (0.7 miles)
- Sleepy Hollow Ave, Industrial Pkwy to Hesperian Blvd (1.2 miles)
- Tyrell Ave, Tennyson Rd to Shafer Ave (1.4 miles)

5.0 centerline miles of Class III Bike Lanes:

- Adrian Ave, Cryer St to Depot Rd (0.2 miles)
- Baumberg Ave, Arf Ave to Industrial Pkwy (0.5 miles)
- C St, Fifth St to Seventh St (0.4 miles)
- Everglade St, Florida St to Orlando Ave (0.6 miles)
- Fourth St, B St to D St (0.4 miles)
- Harder Rd, Westview Wy to Cal State Campus (0.4 miles)
- Palisade St, Mission Blvd to Overlook Ave (0.8 miles)
- Thayer Ave, Gettysburg Ave to Trafalgar Ave (0.4 miles)
- West Tennyson Rd, Industrial Blvd to Hesperian Blvd, (1.2 miles)

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

On November 15, 2016, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. The agreement requires contractors to use local union hiring halls, encourages contractors to employ Hayward residents or Hayward Unified School District graduates, and requires hired workers to pay union dues and other benefit trust fund contributions, etc. The construction cost estimate for the FY23 PIP is more than \$1,000,000, the CWA agreement applies to this project.

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

Estimated project costs are as follows:

• Design and Contract Administration	\$715,000
• Construction Inspection and Testing	\$250,000
• MCK's Construction Bid	\$12,365,205
• Construction Contingency	<u>\$969,795</u>
	Total: \$14,300,000

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

The estimated project funding sources are as follows:

• 210 - Gas Tax	\$1,550,000
• 211 - RRAA (SB1)	\$4,000,000
• 212 - Measure BB - Local Transportation	\$3,118,940
• 218 - Vehicle Registration Fee	\$800,000
• 406 - Measure C Capital	\$2,000,000
• 450 - Street System Improvements	<u>\$2,831,060</u>
	Total: \$14,300,000

FY 2024 PIP Project No. 05242 currently has a total available budget of \$11,568,940. The additional funds required to support the total project cost are included in the Recommended FY 2025 Capital Improvement Program, which will be brought before Council for consideration at the May 7 Work Session, and again during the Public Hearing and Adoption, tentatively scheduled for June 4.

STRATEGIC ROADMAP

This agenda item supports the FY24 to FY25+ Strategic Roadmap of Invest in Infrastructure. Specifically, this item relates to the implementation of the following project(s):

Invest in Multi-Modal Transportation

Project N6 - Continue to add approximately 10 miles of bike lanes annually, with a focus on protected bike lanes and intersections that have high traffic/incidents.

SUSTAINABILITY FEATURES

The project requires 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 2040 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

Summer 2024	Start of Construction
October 2024	End of Construction

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

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAadoo, City Manager