

DATE:	April 22, 2025
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TO: Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT** Adopt a Resolution Awarding a Contract to DeSilva Gates Construction LLC, for the FY25 Pavement Improvement Project, Project No. 05338, in the Amount of \$12,570,061 and Authorizing an Administrative Change Order Budget of \$949,939

## RECOMMENDATION

That the City Council adopts a resolution (Attachment II) approving Addendum No. 1 consisting of revisions to the plans and specification for the FY25 Pavement Improvement Project (PIP) and awarding the construction contract for the project to DeSilva Gates Construction LLC, (DSG) in the amount of \$12,570,061 and authorizing an administrative change order budget of \$949,939 for a total not to-exceed contract amount of \$13,520,000.

#### SUMMARY

The FY25 PIP calls for the rehabilitation of fifty-one (51) street segments and preventive maintenance of fourteen (14) street sections for a total of sixty-five (65) street segments (Attachment III). The proposed improvements will repair failed pavement segments and improve street surfaces.

On March 25, 2025, the project received six (6) bids. Three of the six bids were under the Engineer's Estimate of \$12,940,000. , The low bid received is \$12,570,061 which is \$369,939 or 2.9% under the Engineer's Estimate.

Staff recommends award of the contract to the responsible low bidder, DSG, in the amount of \$12,570,061 and authorizing a potential administrative change order budget of \$949,939 to be used at the discretion of the Director of Public Works for potential change order work.

The project budget of \$14,500,000 is funded via the Gas Tax, Road Repair and Accountability Act (RRAA) (SB1), Measure BB, Vehicle Registration Fees, Street Impact Fee, and Street System Improvement funds.

There is no General Fund contribution to this project.

# BACKGROUND

On April 23, 2024<sup>1</sup>, staff recommended City Council approve a project list for the SB1 FY 2024-2025 PIP Funding. A resolution was required to apply to the California Transportation Commission (CTC) to receive an estimated \$4,000,000 in funding for pavement improvement.

On April 23, 2024<sup>2</sup>, staff recommended that City Council adopt a resolution authorizing the City Manager to execute Amendment No. 6 to the Professional Services Agreement (PSA) with Pavement Engineering, Inc., (PEI) for engineering services associated with the FY 2024-2025 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 February 25, 2025<sup>3</sup>, City Council approved the plans and specifications for the FY25 PIP and calls for bids to be received on March 25, 2025.

On March 14, 2025, staff issued Addendum No. 1 to revise plans and specifications consisting of revisions to plans, bid quantities, engineer's estimate, and provided supplemental information for bidders.

On March 25, 2025, six (6) bids were received, three of six bids were under the Engineer's Estimate. DSG, of Dublin, Ca submitted the lowest bid in the amount of \$12,570,061 which is \$369,939, or 2.9%, under the Engineer's Estimate of \$12,940,000. Bay Cities Paving & Grading, Inc. of Concord, submitted the second lowest bid in the amount of \$12,665,074.62 which is 2.1% under 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.

<sup>&</sup>lt;sup>2</sup> https://hayward.legistar.com/LegislationDetail.aspx?ID=6642377&GUID=FD0B8CF8-548D-4B53-9E93-514D7A8058F3&Options=&Search=

<sup>&</sup>lt;sup>3</sup> https://hayward.legistar.com/LegislationDetail.aspx?ID=7146235&GUID=B7DD9C5F-4458-4661-8B9C-6A8C97F81D85&Options=&Search=

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

- **Technology** The Pavement Management Program (PMP)<sup>4</sup> 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.
- **City Council Members Input** City 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>	Description
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.

<sup>&</sup>lt;sup>4</sup> The PMP is a Metropolitan Transportation Commission (MTC) recommended software program.

40 - 70	Extensive "dig-outs," grinding, fabric, or asphalt overlays may be required to maintain (or "rehabilitate") roadways.
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.

# DISCUSSION

The FY25 PIP focuses on enhancing the streets in the Mission Garin neighborhood, the Southwest Industrial district, and several arterial roads including portions of Industrial Parkway and Winton Avenue. The FY25 PIP aims to promote social equity by paving collector and arterial streets in proximity to lower socioeconomic areas, including Gading Rd, Cypress Rd, and Industrial Pkwy.

Staff has engaged an experienced consultant, Pavement Engineering, Inc., (PEI) to validate the selection of street segments and assess the approximate level of treatment required for each. Additionally, PEI will provide essential engineering and construction support services throughout the project.

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

1.9 centerline miles of Class II Bike Lanes:

- Amador St, Elmhurst St to Winton Av (0.2 miles)
- Clawiter Rd, Breakwater Av to SPRR Tracks (0.7 miles)
- Cypress Ave, Harder Rd to Jackson St (0.4 miles)
- Gading Rd, W. Harder Rd to Schafer Rd (0.6 miles)

2.8 centerline miles of Class IV Bike Lanes:

- D St, Watkins St to Winton Ave (0.6 miles)
- Hayward Blvd, Carlos Bee Blvd to Farm Hill Dr (1.0miles)4
- Industrial Pkwy, Huntwood Av to Mission Blvd (0.8 miles)
- Winton Av, D St to Amador St (0.4 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, City 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 engineer's estimate for the FY25 PIP is more than \$1,000,000, the CWA agreement applies to this project.

## **ECONOMIC IMPACT**

The project is funded by City's CIP Program and State RRAA (SB1) funds.

## **FISCAL IMPACT**

Estimated project costs are as follows:

Design and Contract Administration	\$530,000
Construction Inspection and Testing	\$450,000
DSG Construction Bid	\$12,570,061
Construction Contingency	<u>\$949,939</u>
	Total: \$14,500,000

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

The estimated project funding sources are as follows:

210 - Gas Tax	\$550,000
211 – RRAA (SB1)	\$4,300,000
212 - Measure BB – Local Transportation	\$7,310,000
218 – Vehicle Registration Fee	\$840,000
450 – Street System Improvements	<u>\$1,500,000</u>
	Total: \$14,500,000

#### STRATEGIC ROADMAP

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

- FM2 # of miles of bike lanes added Transportation
- FM3 # of miles of repaving completed Transportation

#### 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 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**

July 2025 November 2	Start of Construction025End of Construction	
Prepared by:	Yama Farouqi, Associate Civil Engineer Dave Hung, Acting Deputy Director of Public Works - Engineering	
Recommended by:	Alex Ameri, Director of Public Works	

Approved by:

Valleen

Dr. Ana M. Alvarez, City Manager