



DATE: April 25, 2023

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Awarding a Contract to Bay Cities Paving & Grading, Inc., 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

RECOMMENDATION

That the Council adopts a resolution (Attachment II) approving Addendum No. 1 consisting of revisions to the plans and specification for the FY23 Pavement Improvement Project (PIP) and awarding the contract for the project to Bay Cities Paving & Grading, Inc., in the amount of \$15,294,950 and authorizing an administrative change order budget of \$855,050 for a total not to-exceed contract amount of \$16,150,000.

SUMMARY

The FY23 PIP calls for the rehabilitation of ninety-one (91) street segments and preventive maintenance of twenty (20) street segments for a total of one hundred and eleven (111) street segments (Attachment III). The proposed improvements will repair failed pavement segments and improve street surfaces.

On March 28, 2023, the project received four (4) bids. All bids were over the Engineer's Estimate of \$13,500,000. At \$15,294,950, the low bid received is \$1,794,950 or 13.3% over the Engineer's Estimate. The additional project funding will come from the FY22 and other Pavement Improvement Project cost savings, and a reduced administrative change order allocation.

Staff recommends award of the contract to the responsible low bidder, Bay Cities Paving & Grading, Inc., (Bay Cities) in the amount of \$15,294,950 and authorizing a potential administrative change order budget of \$855,050 to be used at the discretion of the Director of Public Works for potential change order work.

The project budget of \$16,800,000 is funded via the Gas Tax, Measure B, Measure BB, Vehicle Registration Fees, and anticipated Road Repair and Accountability Act (RRAA) (SB1) funds. This project will increase the citywide pavement condition index (PCI) from 70 to 74. The construction cost estimate for the FY23 PIP is more than \$1,000,000; therefore, the City's Community Workforce Agreement applies to this project.

BACKGROUND

On April 26, 2022¹, staff recommended Council approve 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, staff recommended Council adopt 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 is 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 March 28, 2023, four (4) bids were received, all above the Engineer's Estimate. At \$15,294,950, the low bid received by Bay Cities Paving & Grading, Inc., of Concord, is \$1,794,950, or 13.3%, above the Engineer's Estimate of \$13,500,000. MCK Services, Inc., of Concord, submitted the second lowest bid in the amount of \$15,331,605 which is 13.6% 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.

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

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 \(legistar.com\)](#)

- **Technology** – The Pavement Management Program (PMP)⁵ 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 Member 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.

⁵ 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, 2017⁶ 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

The FY23 PIP calls for the rehabilitation of ninety-one (91) street segments and preventive maintenance of twenty (20) street segments for a total of one hundred and eleven (111) street segments. 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	25%	10%
Streets with PCI Less than 30	10% minimum	35%	25%

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

- Including streets in very poor condition with high number of resident and business requests in order to improve and increase equity in distribution of City services (Depot Rd, Tyrell Ave, Redbud Ln, Lester Ave).
- The establishment of the Old Highlands (OHHA) Assessment District requires the inclusion of streets from the area (Parkside Dr, Home Ave, Hillcrest Ave, Call Ave, Chronicle Ave).

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

⁶ [CITY OF HAYWARD - File #: CONS 17-588 \(legistar.com\)](#)

12.2 lane miles of bike lane striping will be installed at the following locations as a result of this project:

- Cabot Blvd, Depot Rd to North End (2.9 miles)
- Campus Dr, Highland Blvd to Oakes Dr (0.4 miles)
- Depot Rd, Industrial Pkwy to West End (2.1 miles)
- Elmwood St, Fuller Wy to Amador St (0.7 miles)
- Longwood Ave, Hesperian Blvd to Klamath Rd (1.0 miles)
- Memorial Way, Westpark to Thelma St (0.3 miles)
- Nevada Rd, Longwood Ave to Stonewall Ave (0.9 miles)
- Royal Ave, A St to Memorial Way (0.2 miles)
- Skywest Dr, Sueirro St to West A St (0.7 miles)
- Stonewall Ave, Nevada Ave to End (0.6 miles)
- Thelma St, Memorial Wy to Longwood Ave (0.9 miles)
- Tyrrell Ave Schafer Rd to Tennyson Rd (1.5 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	\$400,000
• Construction Inspection and Testing	\$250,000
• Bay Cities Paving & Grading's Construction Bid	\$15,294,950
• Construction Contingency	<u>\$855,050</u>
Total: \$16,800,000	

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	\$3,470,000
• 211 – RRAA (SB1)	\$3,350,000
• 212 - Measure BB – Local Transportation	\$6,759,000
• 215 - Measure B – Local Transportation	\$1,391,000
• 218 – Vehicle Registration Fee	\$632,000
• 450 – Street System Improvements (Gas Tax Swap and Waste Management Street Impact fee)	<u>\$1,198,000</u>

Total: \$16,800,000

FY 2023 PIP Project No. 05240 currently has a total available budget of \$12,663,950, which includes approximately \$2,200,000 in unspent funds that will be transferred from the FY 2022 PIP Project No. 05239. The additional funds required to support the total project cost are included in the Recommended FY 2024 Capital Improvement Program, which will be brought before the City Council for consideration at a May 16, 2023 Work Session, and again during the Public Hearing and Adoption, tentatively scheduled for June 6, 2023.

STRATEGIC ROADMAP

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

Invest in Multi-Modal Transportation

Project N5a: Maintain Pavement Condition Index (PCI) at 70.

Project N5c: Construct various OHHA Pavement Improvements

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 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

May 2023	Start of Construction
October 2023	End of Construction

Prepared by: Yama Farouqi, Associate Civil Engineer
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Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager