



DATE: June 24, 2025

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Approving Addendum No. 1 and Awarding a Construction Contract to Terocons, Inc., for the FY23 and FY24 New Sidewalks Project – Clawiter Road and Industrial Blvd, Project Nos. 05305 and 05331 in the amount of \$1,185,290 in Addition to Approving \$118,529 in Administrative Change Orders (Construction Contingencies)

RECOMMENDATION

That the Council adopts a resolution (Attachment II) approving Addendum No. 1 to make revisions to the plans, specifications, and bid sheet, and awarding the construction contract to Terocons, Inc., for the FY23 and FY24 New Sidewalks Project – Clawiter Road and Industrial Blvd, Project Nos. 05305 and 05331 in the amount of \$1,185,290, and approving \$118,529 in administrative change orders (construction contingencies).

SUMMARY

The FY23 and FY24 New Sidewalks Project includes new sidewalk installations at several locations on Clawiter Road and Industrial Boulevard (Attachment III).

The project will help provide a safe and continuous concrete pedestrian route to multiple businesses and residents on Industrial Boulevard and Clawiter Road from the Hesperian Boulevard and Industrial Boulevard intersection to the West Winton and Clawiter Road intersection. New sidewalk will also be constructed on Clawiter Road from the Industrial Boulevard split intersection up to the Clawiter Road and Breakwater Avenue intersection. Existing driveways in new sidewalk areas will be reconstructed to comply with the current Americans with Disabilities Act (ADA) requirements. Trees will be planted in new sidewalk areas where space allows.

Funding for this project is through Fund 213 - Measure BB (Pedestrian and Bicycle) Fund with a total budget of \$2,060,000. The total Project cost is estimated at \$1,614,400, which includes \$1,185,290 for construction, administrative change orders (construction contingencies) of \$118,529, \$115,00 for project design, and \$195,581 for construction change orders, inspection, and testing.

On June 3, 2025, five (5) bids were received and analyzed for the FY23 and FY24 New Sidewalks Project. Staff recommends that Council approve Addendum No. 1 and award the construction contract to the lowest responsible bidder, Terocons, Inc., of San Francisco, CA in the amount of \$1,185,290 and authorizing an administrative change order budget of \$118,529.

BACKGROUND

The City undertakes the New Sidewalks Project on a biennial basis, with a project cycle completed every two years. This recurring initiative supports infrastructure improvement and pedestrian safety throughout the community. The City has received requests from residents in the neighborhood for sidewalk improvements at various locations. Clawiter Road and Industrial Boulevard were identified as needing new sidewalk construction and repairs of existing sidewalk segments to provide continuous pedestrian access.

DISCUSSION

The project will help provide a safe and continuous concrete pedestrian route to multiple businesses and residents on Industrial Boulevard and Clawiter Road from the Hesperian Boulevard and Industrial Boulevard intersection to the West Winton and Clawiter Road intersection. New sidewalk will also be constructed on Clawiter Road from the Industrial Boulevard split intersection up to the Clawiter Road and Breakwater Avenue intersection.

The proposed improvements will add 1.3 miles of new concrete sidewalk to the City's inventory, which totals approximately 462 miles. The new concrete sidewalk will meet current City standards. In addition, existing driveways that are non-compliant with the ADA will be removed and reconstructed to comply with current ADA requirements.

On June 3, 2025, five (5) bids were received. Terocons, Inc., of San Francisco, CA, submitted the lowest bid in the amount of \$1,185,290, which is 10.7% lower than the Engineer's Estimate of \$1,328,000. J.J.R. Construction, Inc., of San Mateo, CA, submitted the second lowest bid in the amount of \$1,297,979, which is 2.3% lower than the Engineer's Estimate. The other three bid were between 5% and 26% above the engineer's estimate.

Because the low bid is lower than the engineer's estimate, it provides an opportunity to add other sidewalk sections to take advantage of the reasonable unit prices and available budget. Staff is requesting the Council to award a contract to Terocons, Inc., in addition to authorizing an administrative change orders (construction contingencies) budget of \$118,529 to be used at the discretion of the Director of Public Works to add additional sidewalk segments to the project either along Clawiter Road and/or Industrial Boulevard.

Staff is also requesting the Council to approve Addendum No. 1. This addendum consists of new sections added to the specifications, new bid line items, and changes in landscaping and sidewalk areas in the plans.

Community Workforce Agreement

On November 15, 2016¹, 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 this project is more than \$1,000,000, therefore the CWA agreement does apply to this project.

Environmental Review

This project is categorically exempt from environmental review pursuant to Section 15301(c) of the CEQA Guidelines because it is a project consisting of repair, maintenance or minor alteration of existing structures or facilities and involves negligible or no expansion of the existing use.

ECONOMIC IMPACT

This project will add new sidewalk access to businesses in this industrial and residential area of Hayward. Enhancing walkability along arterial streets can boost neighborhood vitality, which in turn supports local businesses and strengthens the community.

FISCAL IMPACT

The project is funded by the City's Capital Improvement Program. For the current cycle, the City is consolidating the budgets from Fiscal Year 2023 (FY23) and Fiscal Year 2024 (FY24) to fund the upcoming project. This combined budget approach ensures sufficient financial resources are available for planning, design, and construction phases, while promoting efficient use of funds across both fiscal years.

The estimated project funding sources are as follows, which are anticipated to cover the engineer's estimate for the project:

Fund	Project No.	Description	Budget
213	05331	FY24 New Sidewalks	\$1,300,000
213	05305	FY23 New Sidewalks	\$760,000
		Total	\$2,060,000

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=2882111&GUID=118B2EF9-1D2C-471F-999E-4BE0929706A0&Options=&Search=>

The estimated project costs are as follows:

Construction Contract	\$1,185,290
Administrative Change Orders (Construction Contingencies)	\$118,529
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<i>Construction Subtotal</i>	\$1,303,819
Project Design	\$115,000
Construction Admin, Inspection, and Testing	\$195,581
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TOTAL PROJECT COSTS	\$1,614,400

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 8, Part 8a.: Add 2 miles of sidewalks per year.
Project 8, Part 8d.: Implement safe routes to school.

SUSTAINABILITY FEATURES

The project satisfies the following General Plan policies:

- M-1.7 Eliminate Gaps (in pedestrian networks)
- M-3.1 Serving All Users
- M-3.10 Motorists, Bicyclists, and Pedestrian Conflicts
- M-5.2 Pedestrian System
- M-5.3 Access to Transit
- M-5.4 Sidewalk Design
- M-5.7 Safe Sidewalks

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

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 Clawiter Road and Industrial Blvd. Residents will be advised to park their vehicles on side streets outside of the work area during the construction period.

NEXT STEPS

The estimated schedule for this project is as follows:

June 24, 2025	Award of Contract
July 2025	Start of Construction
September 2025	End of Construction

Prepared by: Kevin Yoshiki, Assistant Civil Engineer

Reviewed by: Dave Hung, Acting Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Michael Lawson, J.D.
Acting City Manager