



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

Cover Memo

File #: CONS 16-332, **Version:** 1

DATE: June 21, 2016

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

FY 2016 - Pavement Rehabilitation Project: Award of Contract

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) awarding the contract to O'Grady Paving, Inc., in the amount of \$11,198,918; and authorizing the expenditure of an additional \$2,350,000 on this contract for additional street work and contingencies.

BACKGROUND

On March 15, 2016, Council approved the plans and specifications for the FY 2016 - Pavement Rehabilitation Project, and called for bids to be received on April 26, 2016. Subsequent addenda extended the bid opening date to June 3, 2016.

DISCUSSION

The approval of the Measure C local sales tax in 2014 made additional funds available to the City's Street Pavement Management Program that are over and above funds the City receives annually from Measure B, Measure BB, Gas Tax, Vehicle Registration Fees, and from the Street System Improvements Fund. This has allowed the City to engage in the largest street pavement improvement program in the City's history, and provides a one-time opportunity to improve more of the City's street network. The City's Pavement Management Program falls into two main categories: 1) Street Pavement Preventative Maintenance & Resurfacing Program, which was award by the Council on May 24, 2016; and 2) Street Pavement Rehabilitation & Reconstruction Program, which is presented in this report.

The Pavement Rehabilitation & Reconstruction Program involves repairing severely deteriorated streets to return them to acceptable pavement condition standards and may involve one of several types of treatments: 1) standard overlay of the existing street pavement with new Hot Mix Asphalt Concrete; 2) Cold-In-Place Recycling (CIR), which involves pulverization of the top layer of existing asphalt concrete pavement, treating the resulting aggregates with chemicals and placing the resulting material back followed by a new layer of Hot Mix Asphalt Concrete; or 3) Full Depth Reclamation (FDR), where the entire pavement section down to the subgrade is pulverized, reusing the pulverized aggregate material as

a compacted and stabilized base course that is capped with new Hot Mix Asphalt Concrete. A fourth pavement treatment method, which is being introduced to Hayward for the first time after a thorough study by staff, is known as Hot-In-Place Recycling (HIR). This method involves heating the existing deteriorated asphalt concrete pavement in-place, mixing in rejuvenating chemicals, and placing the pavement back as a smooth rideable surface, followed by a two-inch cap of Hot Mix Asphalt or Micro-Surfacing slurry seal. This treatment is used on those streets where the damage is limited to the top two-inch layer of the pavement.

Over recent years and consistent with Council's objectives in the use of environmentally friendly products and reduction of carbon footprint, Engineering staff has moved toward the use of environmentally friendly materials and methods for pavement construction. Additionally, these methods have also proven to reduce cost and time. The pavement methods described above all involve reusing the existing pavement. In addition to the cost savings from not off-hauling a significant portion of the old asphalt concrete material, the reduced number of truck trips also reduces carbon footprint.

On March 15, 2016, staff submitted a scope of work for the FY 2016 Pavement Rehabilitation & Reconstruction project that involved fifty-eight street sections. A further review of construction market trends, talking to contractors who perform this type of work, and unit cost savings from the economy of scale due to the relatively large budget indicated that the unit prices that staff had previously used in estimating the construction cost were too conservative, and that more streets could be done than originally estimated. Also, the addition of the HIR method to the mix of treatments together with savings in the economy of scale allowed staff to add forty-one more street sections to the scope of work for a total of ninety-nine street sections, which were put out to bid instead of the fifty-eight streets originally reported. Please see Attachment II for the list of streets included in the project.

The added streets were selected based on staff's analysis of their Pavement Condition Indices (PCI) identified through the City's computerized Pavement Managements Program (PMP), field examination, and the functional classification of each street. Some of these streets also came from a street log of residents' complaints kept by staff. This project will cover thirty-seven lane-miles of streets. Overall, the City is responsible for the maintenance of 657 lane-miles of roadway. Other work included in this project includes upgrading wheelchair ramps to the latest Americans with Disabilities Act (ADA) standards.

The rather large number of streets included in this year's program, as compared to prior years, is made possible by the infusion of additional funds from the Measure C local sales tax in 2014. This one-time increase in funding will improve the overall city street network PCI from sixty-six to sixty-eight or more in FY 2017. However, in the ensuing years when the pavement budget drops back to \$6 million, the PCI will continue to drop. As previously reported, there will still be a significant number of streets in need of repairs despite this infusion of Measure C funds. Areas such as the Old Hayward Highlands Area (OHHA) neighborhood, which has very poor street infrastructure, would require basic roadway reconstruction (i.e. excluding concrete curbs, sidewalks, and other mitigation works) at a cost of over \$12 million in order to bring streets in this neighborhood to current standards, according to a study performed in 2007. Staff will revisit this issue with Council at a future work session to identify current street maintenance needs in OHHA, and discuss ongoing efforts to identify funding sources to address the overwhelming street maintenance backlog in that area in a manner that will not negatively impact the overall City Pavement Rehabilitation program.

On June 3, 2016, three bids were received for the FY 2016 Pavement Rehabilitation Project. O'Grady

Paving, Inc., of Mountain View, California, submitted the low bid of \$11,198,918.05, which is 3.75% above the engineer's estimate of \$10,794,040. DeSilva Gates Construction LP of Dublin, California submitted the second low bid in the amount of \$11,458,679.00, which is 6.16% above the engineer's estimate. The bids range from \$11,198,918.05 to \$12,457,818.30.

Staff recommends using the balance in funds afforded by the low bid for contingencies and to complete additional street work, including more street pavement section improvements and upgrading more wheelchair ramps. Additionally, streets that may be repaired once contingencies associated with the currently selected streets have been exhausted may include:

- a) Tampa Avenue - between Sumatra Street & Gomer Street
- b) Western Boulevard - between A Street to City limits

All bid documents and licenses are in order. Staff recommends that Council approves the award of contract to the responsible low bidder, O'Grady Paving, Inc., in the amount of \$11,198,918.05 and authorize staff to spend an additional \$2,350,000 for contingencies, including additional street work as described above.

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

FISCAL IMPACT

The estimated project costs are as follows:

| | |
|-------------------------------------|---------------------|
| Construction Contract | \$11,198,918 |
| Construction Contingency - ACO | \$2,350,000 |
| Design and Administration | \$396,082 |
| Construction Inspection and Testing | \$460,000 |
| TOTAL | \$14,405,000 |

The Recommended FY 2017 Capital Improvement Program includes funding from various sources as follows:

| | |
|--------------------------------------|---------------------|
| Measure B (Fund 215) | \$2,266,000 |
| Measure BB (Fund 212) | \$1,959,000 |
| Gas Tax (Fund 210) | \$1,200,000 |
| Vehicle Registration Fund (Fund 218) | \$850,000 |
| Measure C Fund (Fund 406) | \$7,380,000 |
| Street System Improvement | \$750,000 |
| TOTAL | \$14,405,000 |

The Recommended FY 2016 Capital Improvement Program includes \$12,000,000 in Measure C funds of which \$7.5 million will be used for this project. The remaining \$4.5 million has been used for the FY 2016 Pavement Preventative Maintenance and Resurfacing Project, which was approved by the City Council at its May 24, 2016 meeting.

PUBLIC CONTACT

Because of the large number of street sections to be improved throughout the City, staff will undertake efforts, to the extent feasible, to prevent traffic congestion and limit inconvenience to the community. Therefore, construction work will begin and end in one area before moving to another. The contractor will be required to allow local traffic at all times, and to keep side streets open to allow residents to find parking spaces not far from their homes.

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 scheduled for construction. After the construction work has been scheduled, signs on barricades will be posted indicating the date and time of work for each street. The notice will explain the duration of time necessary for allowing the pavement surface to dry before the streets can be reopened to traffic. 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.

COMPLETE STREETS

The existing bicycle facilities, sidewalk, and street lighting will be maintained during construction of this project. Existing bike lanes and markers will be re-striped, and the project will install new green bike lane striping at select intersections to increase bike lane and rider visibility. The project will install new wheelchair ramps where missing and required, reconstruct existing curb ramps not compliant with current Americans with Disabilities Act (ADA) standards and retrofit existing ramps with truncated dome if required. Proposed improvements are consistent with the City's adopted Complete Streets Policy that ensures consideration be given to all users and all modes of transportation on public roadways.

SCHEDULE

Begin Work
Complete Work

July 2016
February 2017

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Fran David, City Manager

Attachments:

Attachment I
Attachment II
Attachment III

Resolution
List of Streets & Maps
Bid Summary