



DATE: September 3, 2019

CATEGORY: Consent

DEPT.: Public Works

TITLE: **2018-19 Street Resurfacing and Slurry Seal Program, Project 19-01 – Appropriate Funds and Authorize Award of Construction Contract**

RECOMMENDATION

1. Appropriate and transfer \$500,000 from the Construction/Conveyance Tax Fund to the 2018-19 Street Resurfacing and Slurry Seal Program, Project 19-01. (Five votes required)
2. Award the construction contract to O’Grady Paving, Inc., of Mountain View for the 2018-19 Street Resurfacing and Slurry Seal Program, Project 19-01, in the amount of \$1,858,402.

BACKGROUND

Each year, the Public Works Department undertakes preventive maintenance of City streets through the annual street resurfacing and slurry seal programs. These programs reduce the overall cost of street maintenance by extending the pavement’s useful life and preventing the need for more costly patching or reconstruction.

Street resurfacing typically involves spreading a 1” to 2” layer of asphalt over the existing surface every 15 to 20 years. Slurry sealing involves applying a thin coat of liquid asphalt and fine aggregate mixture to the surface of smaller (residential and collector) streets at approximately 8- to 10-year intervals while the structural integrity of the street is intact. With both methods, localized failures of the existing pavement surface are repaired prior to spreading the asphalt or slurry seal. Streets are selected for resurfacing or slurry seal each year based on pavement condition and field assessments.

On June 25, 2019, the Council approved the plans and specifications for the project and authorized staff to advertise the project for bids.

ANALYSIS

On August 21, 2019, three bids were received. The bids ranged from \$1,858,402 to \$2,038,000, and the Engineer's Estimate was \$1,437,820.

The high level of construction activity in the Bay Area, including the availability of additional funds to all local agencies and Caltrans, is keeping the contractors that do pavement work very busy and contributing to the higher-than-estimated cost. Staff has done some analysis of the bid items and has identified the following reasons why bids came in above the Engineer's Estimate:

1. Time restrictions on construction hours. In an effort to reduce the congestion during commute hours and reduce impacts to residents, the City routinely restricts work hours on major streets and arterials. This project includes work on both California Street near downtown and on Shoreline Boulevard south of Central Expressway. These limited hours reduce the efficiency of the pavement operations and likely contributed to the higher price on both asphalt resurfacing and slurry seal.
2. Lane restrictions. In an effort to reduce congestion and cut-through traffic into the neighborhood streets and other areas of the City and for emergency access, the City routinely requires that one lane of traffic in each direction always be open during construction activities. In the case of Shoreline Boulevard, the City requires two lanes in each direction to stay open. This may have also contributed to the increase in costs for the slurry seal.
3. Green Bike Lanes. The City has a high standard for the materials and application of the green bike lanes. This material is expensive and time-consuming to install. In recent past projects, the City received lower-than-expected unit costs for this product and used that in our estimate. The bid prices for this project are actually closer to the older estimates.

Staff considers it unlikely that rebidding the project would result in better prices, so staff does not recommend doing so.

Staff evaluated the project scope for value engineering opportunities and concluded that it would not be possible to bring the cost to within the existing budget without significantly reducing the project scope. Major elements included in the project scope include:

- Slurry seal the streets as shown in Attachment 1.
- Slurry seal South Shoreline Boulevard between El Camino Real and Central Expressway and restripe with green bike lane markings at conflict areas to improve bike safety. Conflict areas include where bicycles and motor vehicles may merge at intersections and driveways.
- Resurface California Street and upgrade the median island curb between South Shoreline Boulevard and Bryant Street; restripe with green bike lane markings at conflict areas.
- Resurface Melba Court.
- Slurry seal the Municipal Operations Center (MOC) parking lot where the MOC Duty Housing modular building will be installed. This modular building will be used after-hours by the Public Services Division's "Duty Program" personnel. The MOC parking lot designated for slurry seal is adjacent to the City Warehouse and will need to be restriped to accommodate the new building and Americans with Disabilities Act requirements.

Staff recommends proceeding with the project with the scope as defined above. Staff will do additional research and contact our neighboring cities to determine their experience in recent bids for similar projects and to update our information so we can improve our estimating process. In order to keep this project moving forward, staff requests that the Council appropriate additional funds to the project as discussed below.

If the recommended actions are approved, construction is expected to begin in October 2019 and be completed by summer 2020.

FISCAL IMPACT

Project 19-01 is currently funded with \$1,750,000, which includes \$1,242,000 from Construction/Conveyance (C/C) Tax and \$508,000 from Gas Tax. To keep this project moving forward, staff requests the City Council to appropriate and transfer \$500,000

from the C/C Tax Fund to the 2018-19 Street Resurfacing and Slurry Seal Program, Project 19-01. This will bring the total project funding to \$2,250,000.

The estimated total project cost is as follows:

Construction (including contingency)	\$1,858,402
Design and Engineering	110,000
Inspection and Testing	100,000
Miscellaneous	<u>44,198</u>
Subtotal	\$2,112,600
City Administration @ 6.5%	<u>137,400</u>
TOTAL PROJECT COST	<u>\$2,250,000</u>

ALTERNATIVES

1. Reject all bids and rebid the project.
2. Direct a reduction in project scope.
3. Provide other direction.

PUBLIC NOTICING

Agenda posting. Staff has provided notification of work to affected residents and additional noticing will be provided prior to construction.

Prepared by:

Quan Tran
Associate Engineer

Reviewed by:

Lisa Au
Principal Civil Engineer/Capital Projects

Approved by:

Michael A. Fuller
Public Works Director

Audrey Seymour Ramberg
Assistant City Manager/
Chief Operating Officer

QT/TS/5/CAM
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Attachment: 1. Street Improvement List

cc: APWD – Solomon, APWD – Hosfeldt, PCE – Au, SCE – Chang, AE – Tran, ACE –
Nguyen, SPWI, SCE – Chekmareva, SLCM – Munoz, AAIL – Doan, File