



## Agenda Report

20-156

Agenda Date: 4/7/2020

### REPORT TO COUNCIL

#### SUBJECT

Action on Award of Contract for the 2020 Pavement Preservation Project (CE 18-19-12) and Related Budget Amendment [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

#### BACKGROUND

The City's street pavement network consists of approximately 250 miles of arterial, collector, residential and local streets. Through the Pavement Management Program, staff prioritizes various street segments for preventative maintenance and rehabilitation work based on condition, use and available funding.

The 2020 Pavement Preservation Project (Project) consists of rehabilitation of approximately 2.8 miles of street pavement along three street segments: Homestead Road between Kiely Boulevard and Lincoln Street; Scott Boulevard between Harrison Street and Saratoga Avenue; and Newhall Street between Saratoga Avenue and Winchester Boulevard (Attachment 1). The scope of work for the Project includes: repair and replacement of asphalt pavement (AC); adjustment of utility valves and covers; construction of accessible concrete ramps in accordance with the requirements of the Americans with Disabilities Act; replacement of traffic striping and pavement markings; and other necessary work to complete the Project.

In 2016, staff sought grant funding from the One Bay Area Grant program (OBAG 2), which receives funding from the U.S. Department of Transportation (DOT) through the California Department of Transportation (Caltrans). In 2018, the Project was awarded grant funding in the amount of \$2,356,000 for construction.

#### DISCUSSION

On February 12, 2020, bids were opened for construction of the Project. Six bids were received, ranging from \$4,108,201 to \$4,974,406. The Bid Summary is included as Attachment 2.

The lowest bid submitted by A. Teichert and Sons, Inc., dba Teichert Construction (TC) in the amount of approximately \$4,108,201 was 7.8 percent below the Engineer's Estimate of \$4,455,726. However, TC submitted a bid that did not meet all the terms and conditions of the Bid Documents. Staff from DPW and the City Attorney's Office reviewed the bid submitted by TC and found it to be non-responsive based on missing and incomplete information.

The second lowest bidder, G. Bortolotto & Company, Inc. (GBC), submitted a bid in the amount of approximately \$4,291,087, which is 3.7 percent below the Engineer's Estimate. GBC's bid was reviewed and found to be in compliance with the terms and conditions of the Bid Documents and has been determined to be the lowest responsive and responsible bidder. Staff recommends awarding the contract to G. Bortolotto & Company, Inc. The award of contract will allow construction to be

completed by Fall 2020 and meet the federal grant timelines. A section covering Prevailing Wages is included in the contract.

### **ENVIRONMENTAL REVIEW**

This project being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301, "Existing Facilities," as the activity consists of the repair, maintenance or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing.

### **FISCAL IMPACT**

The approximate cost of the contract is \$4,291,087 plus 10 percent contingency, or \$429,109, for any potential change orders for a total not-to-exceed contract amount of \$4,720,196. Funding of \$3,956,000 is available in the Project. Staff is recommending funding of \$116,855 and \$74,725 from the Water Utility and Sewer Utility Funds, respectively, to be transferred to the Project. This project involves removing and replacing water valve boxes and adjusting sanitary sewer manhole frames. The transfers from the Water and Sewer Utility funds will cover that portion of the project costs. Additional funding in the amount of \$572,616 is necessary and available in the Annual Street Maintenance and Rehabilitation Program project in the Streets and Highways Capital Fund.

	<b>Budget Amendment FY 2019/20</b>		
	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>Streets and Highways Capital Fund</b>			
<u>Transfers From</u>			
Transfer from Water Utility	\$0	\$116,855	\$116,855
Transfer from Sewer Utility	\$0	\$74,725	\$74,725
<u>Expenditures</u>			
Santa Clara Various Streets and Roads Preservation	\$3,956,000	\$764,196	\$4,720,196
Annual Street Maintenance and Rehabilitation Program	\$15,514,872	(\$572,616)	\$14,942,256
<b>Water Utility Fund</b>			
<u>Expenditures</u>			
Unrestricted Fund Balance	\$970,918	(\$116,855)	\$854,063
<u>Transfers To</u>			
Transfer to Streets and Highways Capital Fund	\$0	\$116,855	\$116,855
<b>Sewer Utility Fund</b>			
<u>Expenditures</u>			
Unrestricted Fund Balance	\$911,570	(\$74,725)	\$836,845
<u>Transfers To</u>			
Transfer to Streets and Highways Capital Fund	\$0	\$74,725	\$74,725

**COORDINATION**

This report has been coordinated with the Finance Department and the City Attorney's Office.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> .

**RECOMMENDATION**

1. Award the Public Works Contract for the 2020 Pavement Preservation Project (CE 18-19-12) to the lowest responsive and responsible bidder, G. Bortolotto & Company, Inc., in the amount of \$4,291,087 and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project;
2. Authorize the City Manager to execute change orders up to approximately 10 percent of the original contract price, or \$429,109, for a total project budget not to exceed amount of \$4,720,196; and
3. Approve the budget amendment in the Streets and Highways Capital Fund to recognize transfers of \$116,855 from the Water Utility Fund and \$74,725 from the Sewer Utility Fund, reduce the Annual Street Maintenance and Rehabilitation Project by \$572,616 and increase the Santa Clara Various Streets and Roads Preservation project by \$764,196; in the Water Utility Fund, establish a transfer to the Streets and Highways Capital Fund and reduce the unrestricted ending fund balance by \$116,855; and in the Sewer Utility Fund, establish a transfer to Streets and Highways Capital Fund and reduce the unrestricted ending fund balance by \$74,725.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Project Map
2. Bid Summary