



Agenda Report

21-389

Agenda Date: 4/6/2021

REPORT TO COUNCIL

SUBJECT

Action on Award of Contract for the 2021 Annual Street Maintenance and Rehabilitation Project (CE 20-21-02) to O'Grady Paving, Inc. 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 centerline miles (approximately 595 lane 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 2021 Annual Street Maintenance and Rehabilitation Project (Project) consists of preventative maintenance and rehabilitation of approximately 23.9 lane miles of street pavement along 18 street segments (Attachment 1). The scope of work for the Project includes: repair and replacement of asphalt pavement; placement of slurry seal; 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.

DISCUSSION

On February 3, 2021, a competitive Request for Bids (RFB) was published on the City's bid notification system, BidSync, for construction of the Project. On February 24, 2021, bids for the Project were opened via video conference. The City received five bids from O'Grady Paving, Inc., Teichert Construction, DeSilva Gates, Granite Construction Company and Interstate Grading & Paving ranging from \$6,840,367 to \$7,417,711. The Bid Summary is included as Attachment 2. The bids included a Base Bid for the project of 15 street segments, and two Add Alternate bids for an additional three street segments. The additional street segments were included as Add Alternates so that if bids received for the project were higher than the available funding, then these alternate streets could be removed from the current project and deferred to a subsequent project. Based on the bids received being lower than the engineer's estimate and within the available funding amount, staff recommends awarding both the Base Bid and Add Alternates.

The lowest bid was submitted by O'Grady Paving, Inc. (O'Grady) in the amount of \$6,840,367, which is 13.7 percent below the Engineer's Estimate of \$7,930,000. O'Grady's bid was reviewed by DPW staff and the City Attorney's Office for compliance with the terms and conditions of the bid documents and has been determined to be the lowest responsive and responsible bid. Staff recommends awarding the contract, including the Base Bid and all Add Alternates, to O'Grady Paving, Inc.

The award of contract will allow construction to commence in order to complete the pavement work during the summer and fall of 2021. This timeframe is subject to change based on the current issues related to the COVID-19 pandemic. The contract includes prevailing wage requirements.

ENVIRONMENTAL REVIEW

This project being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301(c), "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, and specifically includes the repair of existing highways and streets.

FISCAL IMPACT

The approximate cost of the contract is \$6,840,367 (Base Bid plus Alternates A and B), plus approximately 10 percent contingency, or \$684,033, for any potential change orders for a total not-to-exceed contract amount of \$7,524,400.

Funding for the contract is available in the Annual Street Maintenance and Rehabilitation Program project in the Streets and Highways Capital Fund. In addition, staff recommends transferring \$174,520 from the Water Utility Fund (\$87,260) and the Sewer Utility Fund (\$87,260) to the Annual Street Maintenance and Rehabilitation Program project for the portion of the project costs associated with those funds. This Project involves removing and replacing water valve boxes and adjusting sanitary sewer manhole frames.

The budget amendment below establishes transfers from the Water Utility and Sewer Utility Funds to the Streets and Highways Capital Fund for a portion of the construction contract in the Annual Street Maintenance and Rehabilitation Program as recommended in this memorandum.

Budget Amendment FY 2020/21			
	Current	Increase/ (Decrease)	Revised
Streets and Highways Capital Fund			
<u>Transfers From</u>			
Transfer from Water Utility	\$0	\$87,260	\$87,260
Transfer from Sewer Utility	\$0	\$87,260	\$87,260
<u>Expenditures</u>			
Annual Street Maintenance and Rehabilitation Program	\$16,429,400	\$174,520	\$16,603,920
Water Utility Fund			
<u>Expenditures</u>			
Unrestricted Fund Balance	\$863,785	(\$87,260)	\$776,525
<u>Transfers To</u>			
Transfer to Streets and Highways Capital Fund	\$0	\$87,260	\$87,260

Sewer Utility FundExpenditures

Unrestricted Fund Balance	\$494,981	(\$87,260)	\$407,721
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Transfers To

Transfer to Streets and Highways Capital Fund	\$0	\$87,260	\$87,260
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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>>.

RECOMMENDATION

1. Award the Public Works Contract for the 2021 Annual Street Maintenance and Rehabilitation Project (CE 20-21-02), including the Base Bid, Add Alternate A, and Add Alternate B, to the lowest responsive and responsible bidder, O'Grady Paving, Inc., in the amount of \$6,840,367 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 \$684,033, for a total project budget not to exceed amount of \$7,524,400; and
3. Consistent with City Charter Section 1305, *"At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the **affirmative votes of at least five members** so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget,"* approve the following FY 2020/21 budget amendments:
 - A. In the Streets and Highways Capital Fund, recognize transfers of \$87,260 from the Water Utility Fund and \$87,260 from the Sewer Utility Fund, and increase the Annual Street Maintenance and Rehabilitation Program project by \$174,520 (**five affirmative Council votes required to appropriate additional revenue**) ;
 - B. In the Water Utility Fund, increase the transfer to the Streets and Highways Capital Fund and reduce the unrestricted ending fund balance by \$87,260 (**five affirmative Council votes required for the use of unused balances**) ; and
 - C. In the Sewer Utility Fund, increase the transfer to Streets and Highways Capital Fund and reduce the unrestricted ending fund balance by \$87,260. (**five affirmative Council votes required for the use of unused balances**).

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Project Location Map

2. Bid Summary