



## Legislation Details (With Text)

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**Title:** Staff Report for a City of San Leandro City Council Resolution to Award a \$7,876,926 Construction Contract to DeSilva Gates Construction, LP for the Annual Street Overlay and Rehabilitation 2018-2020, Project No. 2019.0050; to Authorize the City Manager to Negotiate and Approve Individual Change Orders up to 5% of the Original Contract Amount; and to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value of 25% of the Original Contract Amount.

**Sponsors:** Keith Cooke

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**Attachments:** 1. Bid Summary, 2. List of Streets

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Staff Report for a City of San Leandro City Council Resolution to Award a \$7,876,926 Construction Contract to DeSilva Gates Construction, LP for the Annual Street Overlay and Rehabilitation 2018-2020, Project No. 2019.0050; to Authorize the City Manager to Negotiate and Approve Individual Change Orders up to 5% of the Original Contract Amount; and to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value of 25% of the Original Contract Amount.

### SUMMARY AND RECOMMENDATIONS

This contract provides for repaving of City streets as listed on the attachment to this staff report.

Staff recommends the following actions:

- Award a construction contract for the Base Bid and Alternate Bid Item A to DeSilva Gates Construction, LP; in the amount of \$7,876,926;
- Authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% of the original contract amount (\$393,846); and
- Authorize the City Manager or his designee to negotiate and approve a cumulative change orders amount up to 25% of the original contract amount (\$1,969,231).

### BACKGROUND

The City of San Leandro maintains approximately 180 centerline miles of paved roadways. Each year the City conducts two pavement maintenance projects, one for street sealing and one for street overlay / rehabilitation. This contract is for the resurfacing of pavement (overlay) and for the repair of

the subgrade and pavement (rehabilitation) which addresses pavement in poor and failed condition.

This project will overlay and rehabilitate 9.63 lane-miles of roadway on seventeen different streets throughout the City. This contract includes work on Washington Avenue, which was originally part of the Annual Street Overlay/Rehab project 2017-18, but was delayed due to needing permits required from Caltrans. The streets selected for overlay are streets in the poorest condition that could be preserved utilizing overlays. The streets selected for rehabilitation were the streets within the City that had the lowest pavement condition index (PCI). When selecting streets, priority is given to streets that carry more vehicles than the norm and streets that are on a bike route. A list of the work locations is attached to this staff report. Plans and specifications setting forth in detail the work to be done can be viewed on the City's website at the following location:

<https://www.sanleandro.org/civicax/filebank/blobdload.aspx?BlobID=31185>

<https://ch-webext.sanleandro.org/coslintranet/Finance/signed2019.0050.pdf>

As part of this project, pedestrian curb ramps within the street reconstruction limits will be updated to meet current Americans with Disabilities Act (ADA) accessibility requirements. This contract will also construct sanitary sewer point repairs for the Sanitary Sewer Point Repair Project that are located within planned street construction limits using WPCP Enterprise funds. Additionally, asphalt speed lumps resulting from the Neighborhood Traffic Calming Program will be installed on Castro Street and Lillian Avenue.

All work will be done in accordance with the social distancing orders and protocols for construction issued by the Alameda County Health Department.

This project is a direct result of voter approval of local sales tax measures such as Measures B and BB. As a result of voters' willingness to approve this funding, the City will improve the overall condition of its streets.

## **Analysis**

Bids were opened on May 20, 2020. Three (3) bids were received, ranging from \$7,876,926 to \$10,527,908 for base bid plus additive alternate A. The pre-bid engineer's estimate for construction of the base bid plus additive alternate A was \$11,663,512. This is approximately 32% below the Engineer's Estimate. The apparent low bidder, DeSilva Gates Construction, LP, was determined by staff to have submitted the lowest responsive bid. Staff verified that the contractor has a valid license with the Contractor's State License Board and is registered with the California Department of Industrial Relations.

None of the bidders have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. None of the bidders met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The lowest responsive bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal.

At the mandatory pre-bid meetings, staff presented the requirements of the Local Inclusion Policy Ordinance and responded to bidder questions. Bidders were also provided with a list of contractors performing trades applicable to the project's construction that currently hold business licenses with the City of San Leandro.

This project is subject to the provisions of the Community Workforce Agreement (CWA). Each bidder was advised of the agreement in writing and verbally at the mandatory pre-bid meetings. Each contractor was given contact information for the Bay Area Business Roundtable, an organization hired by the City to provide free technical assistance to comply with the CWA. All of the bidders signed the Community Workforce Agreement commitment form.

As is standard in the construction industry, staff balanced site investigation costs with the risk of finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delay to the project, ensure that the scope of work is adjusted as needed to provide the highest quality project and to take advantage of the favorable cost of the work along with providing for the expedient use of grant funding, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (\$393,846) of the original contract amount and cumulative change orders up to 25% (\$1,969,231) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

### **Current Agency Policies**

- Maintain and enhance San Leandro's infrastructure.

### **Applicable General Plan Policies**

- Policy CSF-6.8 Maintenance:  
Ensure that sufficient funding is provided for the ongoing maintenance of City-owned facilities, including streets, streetlights, traffic signals, landscaping, street trees, storm drains, public buildings, and other infrastructure.
- Transportation Goal T-5:  
Improve major transportation arteries for circulation in and around the city.

### **Permits and/or Variances Granted**

- Caltrans encroachment permits have been obtained for work on Oakes Boulevard and E 14<sup>th</sup> Street as well as Washington Ave.
- Union Pacific Railroad encroachment permit will be obtained for work on Halcyon Drive.

### **Environmental Review**

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15301(c) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on September 27, 2019.

### **Summary of Public Outreach Efforts**

The streets to be repaved are posted on the City's website. Properties adjacent to the work will receive a notification from the City and a second notification from the Contractor prior to the work.

The Notice to Bidders was published in the East Bay Times, the South County Post, Visión Hispana, and World Journal. Staff also notified nineteen builders' exchanges and construction data firms, as well as a list of contractors that asked to be notified of bidding opportunities via email.

**Fiscal Impacts**

The estimated project cost is as described below:

Design and Bid	\$ 960,000
Work done by Construction Contract 17-18	\$325,000
Construction Contract 18-20	\$7,876,926
Construction Management and Inspection	\$250,000
<u>Construction Contingency (25%)</u>	<u>\$1,969,231</u>
<b>Total</b>	<b>\$11,381,157</b>

**Budget Authority**

This street rehabilitation project will be funded as follows:

<u>Account No.</u>	<u>Reso. Appropriation Dates &amp; Source</u>	<u>Amount</u>
144-38-401-5240	FY 2018-19 Budget, Measure B*	\$1,060,000
141-39-401-5240	FY 2018-19 Budget, Measure B and BB**	\$2,875,000
210-38-413-5240	FY 2019-20 Budget, General Fund***	\$1,000,000
<u>141-39-402-5240</u>	<u>FY 2019-20 Budget, Measure B and BB</u>	<u>\$7,000,000</u>
<b>Total</b>		<b>\$11,935,000</b>

Asterisks indicate amount listed is less than amount appropriated in the budget, see details below.

\*\$340,000 moved to Pedestrian Crossing 17-18 project via Resolution 2018-113.

\*\*\$900,000 moved to Street Overlay and Reconstruction 16-17 via Resolution 2018-080 and \$3,225,000 moved to Street Overlay and Reconstruction 17-18 via Resolution 2018-081.

\*\*\*\$1,260,000 slated for use on Street Overlay and Reconstruction 19-21.

**Attachments to Staff Report**

- Bid Results Summary
- List of Streets

**PREPARED BY:** Claire O'Brien, Associate/Contract Engineer, Engineering and Transportation Department