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Title: Staff Report for a Resolution to Award a \$3,048,462 Construction Contract to DeSilva Gates Construction, L.P. for the Annual Overlay / Rehabilitation 2016-17 Project Phase 1, Project No. 2017.0050; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders Up to 15% of the Original Contract Amount

Sponsors: Keith Cooke

Indexes:

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Attachments: 1. Street List Final.pdf, 2. Overlay Poster-SR.pdf, 3. Bid Summary.pdf

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7/17/2017	1	City Council	Received and Filed	

Staff Report for a Resolution to Award a \$3,048,462 Construction Contract to DeSilva Gates Construction, L.P. for the Annual Overlay / Rehabilitation 2016-17 Project Phase 1, Project No. 2017.0050; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders Up to 15% of the Original Contract Amount

SUMMARY AND RECOMMENDATIONS

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

Staff recommends the following actions:

- Awarding the construction contract to DeSilva Gates Construction, L.P. in the amount of \$3,048,462 for Phase 1 of the subject project;
- Authorizing individual change orders up to 5% of the original contract (\$152,423), and authorizing a total change order amount up to 15% of the original contract (\$457,269);

BACKGROUND

For ease of management and to reduce inconvenience to residents, the Annual Overlay/Rehabilitation 2016-17 Project was split into two phases. Phase 1, which is this project, will be constructed first, while Phase 2 is expected to be awarded in late 2017. This project includes two types of street repair, overlay and reconstruction. Phase 1 of the project involves overlay of 3.7 lane-miles of roadway on six streets. Overlay is less expensive than reconstruction and is performed on streets that have deteriorated beyond what can be repaired using a street sealing treatment but which have not yet completely failed and can be restored with an overlay treatment of asphalt

concrete pavement. Overlays involve the removal of the top layer of existing pavement, completing spot repairs of failed subgrade areas, and replacing the top layer with new asphalt pavement. This overlay method is applied only if the roadway does not have a very high crown which is a steep slope from the center of the street to the gutter.

Reconstruction is a more expensive pavement repair method and is implemented when a street has completely failed. Reconstruction involves the removal of the entire existing pavement section, strengthening the road base by mixing cement into the existing subgrade, recompacting the subgrade to remove voids resulting from the cement mixing and replacing the entire thickness of pavement.

This project will incorporate recycled rubber asphalt concrete in the rehabilitation of certain streets. The California Department of Resources Recycling and Recovery (CalRecycle) will reimburse the City based on the differential cost between the actual conventional asphalt and the rubberized asphalt costs through a grant. Rubberized asphalt is made by blending ground-up recycled tires with asphalt to produce a binder which is then mixed with conventional aggregate materials. The use of recycled tires provides an opportunity to reduce the quantity of non-biodegradable byproducts from polluting the environment and aligns with the City's sustainability efforts under the Climate Action Plan. Rubberized asphalt concrete is a new material for City streets that will be utilized on Teagarden Street as a pilot project and will divert approximately 1,334 tires from the waste stream. If the pavement performs as expected, the material may be used on future projects.

Overlay or reconstruction of streets triggers requirements to upgrade all deficient curb ramps adjacent to the work. As part of this project and in compliance with the Americans with Disabilities Act (ADA), 29 curb ramps and associated upgrades will be constructed in Phase 1. The project will also incorporate relevant portions of the City's Bicycle and Pedestrian Master Plan.

This project also includes the installation of new speed humps on Castro Street and 138th Avenue that were requested by residents that participated in the 2016-17 Neighborhood Traffic Calming Program. Additionally, Phase 1 of the project involves restriping of San Leandro Boulevard from the City's north limit to north of San Leandro Creek to be one lane in each direction with a two-way left turn lane, bike lanes, and safety improvements at the Best Avenue intersection. All of this work is expected to be completed in 60 working days.

Analysis

Bids were opened on June 26, 2017. The one bid received was \$3,048,462 from DeSilva Gates Construction, L.P. The pre-bid engineer's estimate for construction was \$2,620,569. Staff contacted other firms that attended the pre-bid conference but elected not to submit bids and learned that they chose not to bid due to an already heavy work load.

The bidder does not have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. Also, the bidder has not met the Local Business Participation Goal of 25% by subcontracting with San Leandro businesses for 25% of the contract value. The bidder had one local subcontractor, St. Francis Electric, whose subcontract for \$4,500 represents 0.15% of the total contract value. However, the bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal.

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. At the mandatory pre-bid meetings, staff presented the requirements of the Local Inclusion Policy Ordinance, responded to bidder questions, and provided contact information for free technical assistance if needed. Bidders were also provided with a list of contractors performing trades applicable to this 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 attendee was advised of the agreement in writing and verbally at the mandatory pre-bid meetings and was given contact information for the Bay Area Business Roundtable, an organization hired by the City to provide free guidance in achieving compliance with the CWA. The bidder will sign the Community Workforce Agreement commitment form with the other contract documents.

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 and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (or \$152,423) of the original contract amount and cumulative change orders up to 15% (or \$457,269) 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.

Previous Actions

- On June 15, 2015, by Resolution No. 2015-104, the City Council approved a Community Workforce Agreement with the Alameda County Building and Construction Trades Council and its affiliated local unions governing labor procedures for City construction projects valued above \$1,000,000.

Applicable General Plan Policies

- Goal T-2: Design and operate streets to be safe, attractive, and accessible for all transportation users whether they are pedestrians, bicyclist, transit riders or motorists, regardless of age or ability.
- Goal T-5: Improve major transportation arteries for circulation in and around the City.
 - Policy T-5.3: Maintenance.
- Goal T-6: Minimize the adverse effects of business, industrial, and through traffic on neighborhood streets.
 - Policy T6-1: Traffic Calming Strategies.
- Goal T-7: Improve traffic safety and reduce the potential for accidents on San Leandro streets.
 - Policy T-7.2: Capital Improvements.
 - Action T-7.2B: Pedestrian Safety Improvements.

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 March 24, 2017.

Summary of Public Outreach Efforts

- The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and the World Journal.
- Staff also notified twenty-one builders' exchanges and construction data firms as well as a list of contractors that asked to be notified of bidding opportunities via email.
- The project is described on the Engineering and Transportation Department website.
- Two mandatory pre-bid meetings were held on June 6 and June 13, 2017. The intent of these meetings was to inform bidders of the project details including the City's Local Inclusion Ordinance and Community Workforce Agreement.

Prior to construction, staff will notify residents of the streets in the project areas and provide a project construction schedule. The contractor will also provide notification in the form of door hangers immediately before the work. Changeable message boards to notify the public of proposed work will be placed on San Leandro Boulevard and Teagarden Street one week prior to the start of work at those locations.

Fiscal Impacts

The estimated project costs of Phase 1 are \$3,239,963.

Phase 1:

Design and Bid:	\$ 152,000
Construction:	\$3,048,462
CM and Inspection:	\$ 189,000
Construction Contingency:	\$ 310,600
Total	\$3,700,062

Budget Authority

This project will be funded as follows:

<u>Account No.</u>	<u>Reso., Appropriation Dates & Source</u>	<u>Amount</u>
140-38-334	Reso. 2016-121, Gas Tax	\$ 69,418
141-39-024	FY 2016-17 Budget, Measure BB Grant	\$3,000,000
141-38-377	FY 2016-17 Budget, Measure BB	\$1,275,000
144-38-377	FY 2016-17 Budget, Measure B	\$ 310,000
142-38-377	FY 2016-17 Budget, Gas Tax	\$ 380,000
210-38-377	FY 2016-17 Budget, General Fund	\$1,000,000
<u>150-38-405</u>	<u>Reso. 2016-157, CalRecycle Grant 15-16</u>	<u>\$ 201,025</u>

Total

\$6,235,443

ATTACHMENTS

- List of street segments to receive overlay and reconstruction
- Summary Map of 2016-17 Maintenance Projects
- Bid Summary - Annual Overlay / Rehabilitation 2016-2017 Phase 1

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