



## Legislation Details (With Text)

<b>File #:</b>	24-124	<b>Version:</b>	1	<b>Name:</b>	Award Annual Overlay/Rehab 19-21 Phase 2
<b>Type:</b>	Staff Report	<b>Status:</b>	Filed	<b>In control:</b>	City Council
<b>On agenda:</b>	5/20/2024	<b>Final action:</b>	5/20/2024	<b>Enactment #:</b>	Reso 2024-043
<b>Enactment date:</b>					

**Title:** Adopt a Resolution to Approve and Authorize the City Manager to Award a Construction Contract to DeSilva Gates Construction LLC in the amount of \$5,883,883 for the Annual Street Overlay and Rehabilitation 2019-2021, Phase 2, Project No. 2020.0050; to Authorize the City Manager to Negotiate and Approve Individual Change Orders up to 5% (or \$294,194) of the Original Contract Amount; and to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value of 25% (or \$1,470,970) of the Original Contract Amount

### Indexes:

### Code sections:

**Attachments:** 1. A - Resolution DeSilva Gates Construction LLC Phase 2, Project No. 2020.0050, 2. B - Bid Summary, 3. C - Street List

Date	Ver.	Action By	Action	Result
5/20/2024	1	City Council	Received and Filed	Pass

Adopt a Resolution to Approve and Authorize the City Manager to Award a Construction Contract to DeSilva Gates Construction LLC in the amount of \$5,883,883 for the Annual Street Overlay and Rehabilitation 2019-2021, Phase 2, Project No. 2020.0050; to Authorize the City Manager to Negotiate and Approve Individual Change Orders up to 5% (or \$294,194) of the Original Contract Amount; and to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value of 25% (or \$1,470,970) of the Original Contract Amount

## COUNCIL PRIORITY

- Infrastructure

## SUMMARY

This contract provides for the repaving of various City streets listed in the attachment to this Staff Report.

## RECOMMENDATIONS

Staff recommends the following actions:

- Award a construction contract in the amount of \$5,883,883 to DeSilva Gates Construction LLC;
- Authorize the City Manager or her designee to negotiate and approve individual change orders up to 5% (or \$294,194) of the original contract amount; and
- Authorize the City Manager or her designee to negotiate and approve cumulative change orders up to 25% (\$1,470,970) of the original contract amount.

## BACKGROUND

The City of San Leandro maintains approximately 180 centerline miles of paved roadways. On average, the City undertakes two projects for pavement upkeep annually: one for street sealing and another for street overlay and rehabilitation. This contract is for the street overlay and rehabilitation project, that will repair damaged subgrade and overlay asphalt over streets that are in poor condition.

To streamline construction, this project is part of a larger project that is divided into three phases. This project is Phase 2 and is slated for Summer 2024. Phase 3, on the other hand, are streets that need further design and coordination with utility agencies, and will be executed under a separate contract.

Phase 2 will focus on rehabilitating 5.25 lane-miles of roadway across 6 different streets in the City. It will also include upgrading curb ramps within the project limits to comply with current Americans with Disabilities Act (ADA) accessibility requirements, and repairing sanitary sewer lines. In addition, the project will install asphalt speed humps on Stoakes Ave, Lewis Ave, Corvalis St and Dowling Blvd; install video detection to the intersections of: Bancroft Ave and Callan Ave, Bancroft Ave and Estudillo Ave, Bancroft Ave and Juana Ave, and Bancroft Ave and Dolores Ave. The project will also involve updating the traffic signals along Bancroft at the intersections mentioned above. Plans and specifications are available for viewing on the City's website at the following url:

<https://www.sanleandro.org/DocumentCenter/View/6689/Combined-Plans-and-Specs?bidId=10>  
<https://www.sanleandro.org/DocumentCenter/View/10183/Combined-Specs-Annual-Street-OverlayRehabilitation-2019-21---Phase-II-Project-2020050-Bid-No-2324011-?bidId=57>

The streets selected for overlay are streets that are at-risk with a pavement condition index (PCI) of less than 60. For the rehabilitation portion, the streets that are in poor condition with a PCI between 25 and 50 were selected. As part of the selection process, the pavement conditions were verified in the field, and the streets with higher traffic volumes and bicycle route designations were prioritized.

## Analysis

Bids were opened on April 4, 2024. Two (2) bids were received, ranging from \$5,883,883.00 to \$11,490,395.30. The engineer's pre-bid estimate for construction of the base bid was \$4,415,031.00. The significant variance between the low bidder and the engineer's pre-bid estimate can be attributed to the unpredictable price fluctuations within the construction industry.

Staff recommends awarding the contract to the apparent low bidder, DeSilva Gates Construction LLC. Staff confirmed that DeSilva Gates Construction LLC 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 has 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 a minimum 25% of the contract value. However, DeSilva Gates Construction LLC provided documentation that demonstrated their good faith efforts to meet the local business participation goal.

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

As is the standard in the construction industry, staff balanced costs associated with extensive site investigation 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 and plan details may need to be adjusted or clarified during construction. To minimize delay to the project and ensure that the scope of work can be adjusted as needed to provide the highest quality project for the City, staff requests authorization to negotiate and approve individual change orders up to 5% (\$294,194.15) of the original contract amount and cumulative change orders up to 25% (\$1,470,970.75) 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

### **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 December 23, 2021.

### **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 cost and details on funding types, accounts, and authorizations of this multi-funded project are detailed below. CIP accounts are carried forward for five years or until the work is complete, whichever occurs first.

Design and Bid - Phase 1, 2 & 3	\$1,663,339
Construction Contract - Phase 1(completed)	\$5,285,306
Construction Contract - Phase 2	\$5,106,534
Construction Contract (est.) - Phase 3 (future)	\$4,350,963
Constr. Management, Insp. & Contingencies - All Phases	\$2,460,921
<b>Total</b>	<b>\$18,867,063</b>

The project is funded as follows:

<u>Account No.</u>	<u>Reso. Appropriation Dates &amp; Source</u>	<u>Amount</u>
141-38-413	FY 2019-20 Budget, Measure BB	\$1,200,000
141-38-419	FY 2019-20 Budget, Measure BB	\$1,200,000
152-38-413	FY 2019-20 Budget, SB1	\$1,000,000
155-39-403	FY 2019-20 Budget, Measure BB	\$7,000,000
210-36-383	FY 2019-20 Budget, General Fund	\$250,000
210-36-385	FY 2020-21 Budget, General Fund	\$80,000
210-36-389	FY 2020-21 Budget, General Fund	\$200,000
210-38-413	FY 2019-20 Budget, General Fund	\$2,260,000
<u>210-38-419</u>	<u>FY 2020-2021 Budget, General Fund</u>	<u>\$2,140,000</u>
<b>Total</b>		<b>\$15,330,000</b>

## ATTACHMENTS

- Att A - Resolution
- Att B - Bid Summary
- Att C - List of Streets

**PREPARED BY:** Nicole Noronha Castelino, Senior Engineer, Public Works Department