



Legislation Details (With Text)

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| File #: | 24-241 | Version: | 1 | Name: | Rehabilitation Phase for Annual Street Paving 21-23 |
| Type: | Staff Report | Status: | Filed | In control: | City Council |
| On agenda: | 7/15/2024 | Final action: | 7/15/2024 | Enactment date: | Enactment #: |

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 \$3,550,550 for the Rehabilitation Phase for the Annual Street Paving 21-23, Project No. 2020.0050; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount (\$177,528); to Authorize the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount (\$532,583); and to Reappropriate \$266,896 from Account No. 141-38-392 to the Subject Project

Indexes:

Code sections:

Attachments: 1. A - Reso DeSilva Gates Construction, LLC, 2. B - Street List, 3. C - Bid Summary Rehab for Annual Paving 21-23

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|--------|--------|
| 7/15/2024 | 1 | City Council | | |

Adopt a Resolution to Approve and Authorize the City Manager to Award a Construction Contract to DeSilva Gates Construction, LLC in the amount of \$3,550,550 for the Rehabilitation Phase for the Annual Street Paving 21-23, Project No. 2020.0050; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount (\$177,528); to Authorize the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount (\$532,583); and to Reappropriate \$266,896 from Account No. 141-38-392 to the Subject Project

COUNCIL PRIORITY

- Infrastructure

SUMMARY

This contract will facilitate the rehabilitation of 2.3 lane miles of City roadway, with full depth reconstruction and mill & overlays applied on 5 street segments located throughout the City.

RECOMMENDATIONS

Staff recommends the following actions:

- Award a construction contract to DeSilva Gates Construction, LLC in the amount of \$3,550,550
- Authorize the City Manager to negotiate and approve individual change orders up to 5% (or \$177,528) of the original contract amount
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value

not to exceed 15% (or \$532,583) of the original contract amount; and

- Reappropriate \$266,896 from Account No. 141-38-392 to the subject project

BACKGROUND

Streets are a critical component of the City's infrastructure, and their condition is an important factor in the quality of life for residents and the vitality of local businesses. Good pavement condition increases the efficiency of transporting goods, improves bicycle safety, and makes walking more appealing. Each day, residents are dependent on safe, reliable local streets and roads to begin and end their daily commutes. Police, fire, and emergency medical services all rely on safe and reliable roads to respond quickly to calls for service.

Improving the City's average Pavement Condition Index (PCI) has and continues to be a high priority for the City. In 2014, San Leandro voters approved Measure HH as a guaranteed funding source for essential City services, including improvement to local roadways. In November 2014, voters in Alameda County passed Measure BB to improve local roadways as one of their main objectives. All phases of this project have a total project cost of approximately \$17,474,000. Half of the project's funding (\$8,954,000) is provided by City General Funds with the remaining amount provided by a combination of grant and gas tax funding. The City of San Leandro maintains approximately 180 centerline miles of paved roadways. Pavement rehabilitation is an annual maintenance activity that revitalizes heavily worn-out street sections. Street segments included in this contract will receive either a full-depth reconstruction or mill & overlay treatment. The treatment process is individually selected for each street based on pavement condition to maximize the benefit of funds spent to maintain each street.

The rehabilitation phase of the Annual Street Paving 21-23 project will perform maintenance on approximately 2.3 lane miles of pavement on 5 street segments located throughout the City. A list of the street segments included in this contract is attached. In addition, this project will include sidewalk and curb ramp upgrades to meet current accessibility requirements, the sealing of various streets, removal of asphalt concrete patches previously placed in gutter sections, and the clean-up of gutters and driveways.

In preparation for this pavement maintenance work, the City Council awarded a \$2,471,000 contract to Spencon Construction in January 2023 to upgrade adjacent curb ramps to comply with the Americans with Disabilities Act (ADA). Additionally, the City Council awarded a \$9,207,613 contract to Pavement Coatings Company in June 2023 for the surface seal of numerous streets throughout the City. Sanitary sewer point repairs within the paving limits of this contract were also completed in advance under a separate contract as part of the Sanitary Sewer Point Repair project.

Analysis

On May 23, 2024, the City opened bids for the subject project. One bid was received from DeSilva Gates Construction, LLC in the amount of \$3,550,550. The pre-bid Engineer's Estimate was \$2,760,653. Staff determined that DeSilva Gates Construction, LLC is the apparent low bidder. After review of the bid, staff concluded that the higher bid price compared to the engineer's estimate was due to increasing materials, oil, and construction costs.

Staff recommends the award of a construction contract to DeSilva Gates Construction, LLC in the amount of \$3,550,550. Staff verified that DeSilva Gates Construction, LLC has a valid Contractor's State License Board license and is registered with the California Department of Industrial Relations.

Staff also recommends that the City Council reappropriate \$266,896 from Account No. 141-38-392 to the subject project. Capital funds are appropriated by the City Council via adoption of the annual budget or via a project specific resolution. Section 520 of the San Leandro Municipal Code specifies that appropriations to capital funds may be carried forward for not more than five fiscal years. The project funded by the account has since been completed and the remaining fund can be repurposed for existing projects.

This project is subject to the provisions of the Community Workforce Agreement (CWA). Each potential bidder was advised of the agreement in writing and verbally at the mandatory pre-bid meetings, and this bidder signed the CWA 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. To minimize delays and ensure that the scope of work is properly adjusted for the highest quality outcome, staff requests that the City Council authorize the City Manager or her designee to negotiate and approve individual change orders up to 5% (\$177,528) of the original contract amount. In addition, staff requests authority to negotiate and approve cumulative change orders up to 15% (\$532,583) of the original contract amount, and to appropriate an additional \$2,843,500 to account 210-38-521 towards the completion of this project. This contract allowance will facilitate the efficient completion of the project on budget and on schedule.

Current Agency Policies

- Maintain and enhance the City's infrastructure

Previous Actions

- On June 20, 2023, by Resolution No. 2023-073, the City Council Approved a Construction Contract with Pavement Coatings Company in an amount of \$9,207,613 for the Surface Seal Phase for the Annual Street Paving 21-23, Project No. 2020.0050, and authorized the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount (\$460,380) and Cumulative Change Orders up to 10% of the Original Contract Amount (\$920,761)
- On January 23, 2023, by Resolution No. 2023-006, the City Council Approved a Construction Contract with Spencon Construction in an amount of \$2,471,000 for Curb Ramp Upgrades for the Annual Street Paving 21-23, Project No. 2020.0050, and authorized the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount (\$123,550) and Cumulative Change Orders up to 25% of the Original Contract Amount (\$617,750) and appropriated \$465,000 for the Project in Fiscal Year 2022-2023
- On April 18, 2022, by Resolution No. 2022-055, the City Council Approved a Consulting Services Agreement with Nichol Consulting Engineers for the Design of the Annual Street

Paving 2021-2023, Project No. 2022.0050 for an Amount Not to Exceed \$1,065,000, authorized Individual Agreement Amendments Up to 10% (\$106,500) and Cumulative Agreement Amendments Up to 25% (\$266,250), respectively

Applicable General Plan Policies

- Policy T-2.1: Complete Streets Serving All Users and Modes. Create and maintain “complete” streets that provide safe, comfortable, and convenient travel through a comprehensive, integrated transportation network that serves all users
- Policy T-5.3 - Maintenance. Regularly maintain City streets and traffic control devices to ensure that streets operate safely and efficiently. The City will strive for an overall Pavement Condition Index of 76, which is the lower limit of industry best practices
- Policy T-7.2: Capital Improvements. Identify capital improvements and other measures which improve the safety of bicyclists, pedestrians, and motor vehicles on San Leandro Streets

Environmental Review

This project is Categorically Exempt per California Environmental Quality Act (CEQA) Section 15301 (c) of the CEQA guidelines. A Notice of Exemption was filed with the Alameda County Recorder’s Office on April 14, 2022.

Summary of Public Outreach Efforts

The Notice to Bidders was published in the Daily Review, the Post Newspaper, Visión Hispana and World Journal. Staff also notified local 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 May 7th and 9th 2024, with potential bidders.

Prior to any construction, which would affect access to private businesses or residences, the contractor will provide notifications in the form of door hangers before the work starts.

Financial Impacts

The estimated cost of this project is detailed below. The budget authority section has details on funding types, accounts, and authorizations. CIP accounts are carried forward for five years or until the work is complete, whichever occurs first.

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| Design and Bid | \$1,250,000 |
| Construction Contracts: | |
| Curb Ramps (Spenco Construction) | \$2,252,890 |
| Pavement Surface Seal (Pavement Coatings Co.) | \$9,623,512 |
| Pavement Rehabilitation (DeSilva Gates Construction, LLC) | \$3,550,550 |
| Construction Management & Inspection | \$649,301 |
| <u>Construction Contingencies</u> | <u>\$532,583</u> |
| Total Cost: | \$18,131,836 |

Budget Authority

The project is funded as follows:

| <u>Account No.</u> | <u>Reso. Appropriation Dates & Source</u> | <u>Amount</u> |
|--------------------|---|---------------|
| 152-38-521 | FY 22-23 Budget, SB1 Grant | \$500,000 |
| 144-38-520 | FY 22-23 Budget, Measure B Grant | \$1,005,000 |
| 190-31-804 | FY 22-23 Budget, ARPA Grant | \$3,699,665 |
| 150-38-452 | FY 22-23 Budget, Cal Recycle Grant | \$165,000 |
| 152-38-520 | FY 22-23 Budget, Gas Tax Funds | \$965,000 |
| 210-38-521 | FY 22-23 Budget, General Funds | \$8,953,723 |
| 141-38-392 | FY 17-18 Budget, Measure BB | \$266,896 |
| 141-38-528 | FY 24-25 Budget, Measure BB | \$2,576,604 |

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|-----------------------------|---------------------|
| Total Appropriation: | \$18,131,888 |
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ATTACHMENTS

- Attachment A - Resolution
- Attachment B - List of Project Streets
- Attachment C - Bid Summary - Project No. 2022.0050

PREPARED BY: Bennett Sanderson, Assistant Engineer, Public Works Department, Engineering Division