



Legislation Details (With Text)

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Enactment date:		Enactment #:		Title:	Staff Report for a Resolution to Award a Construction Contract to DeSilva Gates Construction, L.P. for the Annual Overlay / Rehabilitation 2015-16 Project, Project No. 2016.0050; 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; City Council Approval to Appropriate \$110,000 from the DFSI Fund Balance and \$930,000 from Measure BB Fund Balance for the Project

Indexes:

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Attachments: 1. Annual Street Maintenance Projects 15-16, 2. Annual Overlay-Rehabilitation 2015-16 Street List, 3. Bid Summary for Annual Overlay Rehabilitation 2015-16

Date	Ver.	Action By	Action	Result
7/18/2016	1	City Council	Received and Filed	Pass

Staff Report for a Resolution to Award a Construction Contract to DeSilva Gates Construction, L.P. for the Annual Overlay / Rehabilitation 2015-16 Project, Project No. 2016.0050; 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; City Council Approval to Appropriate \$110,000 from the DFSI Fund Balance and \$930,000 from Measure BB Fund Balance for the Project

SUMMARY AND RECOMMENDATIONS

This contract provides for repaving of 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 \$2,396,060 for the subject project;
- Authorizing individual change orders up to 5% of the original contract (\$119,803), and authorizing a total change order amount up to 15% of the original contract (\$359,409);
- Appropriating additional DFSI Funds in the amount of \$110,000; and
- Appropriating additional Measure BB Funds in the amount of \$930,000.

BACKGROUND

This project includes two types of street repair, overlay and reconstruction. Overlay is less expensive than reconstruction and is performed on streets that have deteriorated beyond a street sealing treatment but have not yet failed. Overlay involves the removal of the top layer of existing pavement, completing spot repairs of failed subgrade areas, and replacing the top layer with new pavement.

This overlay method is applied only if the roadway does not have a very high crown, a steep slope going outward from the gutter to the middle of the street.

The overlay thickness for each street is determined by evaluating the existing pavement thickness and expected traffic volumes. To increase durability because of high traffic use and to prevent the potential for cracks in the lower layers of asphalt concrete from reflecting through to the surface layer, reinforcing mesh will be added to the pavement overlay on San Leandro Boulevard, Marina Boulevard, and Douglas Drive.

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.

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), the City Council awarded the Ramp Upgrades 2015-16 Project, Project No. 2016.0071 to Rosas Brothers Construction to install curb ramps where none currently exist and to upgrade non-compliant ramps.

This project also includes the installation and repair of speed cushions at various locations on various City streets as requested by residents and as part of the 2015-16 Neighborhood Traffic Calming Program.

This project is funded primarily with Measure B and Measure BB sales tax revenue distributed to the City by the Alameda County Transportation Commission (ACTC) each year for use on local streets and roads. The City has consistently used Measure B monies within three years of receipt. Prior to January 2016, ACTC's timely use of funds requirements allowed for all Measure B funds allocations to be used within the 5 years of receipt. Recent changes to these rules require that all Measure B and Measure BB funds must be spent within the same year they are received by the City. To allow for implementation of this change, ACTC permits four years for each agency to comply with this new policy. Staff expanded the project to include repair of additional streets in an effort to expend Measure B and Measure BB funds quickly to meet this timely use of funds requirement.

Analysis

Bids were opened on June 24, 2016. The three bids received ranged from \$2,396,060 to \$2,857,000. The pre-bid engineer's estimate for construction was \$2,128,745. DeSilva Gates Construction, L.P. was determined by staff to be the lowest responsible bidder.

None of the bidders have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. Also, none of the bidders met the Local Business Participation Goal of 25% by subcontracting with San Leandro businesses for 25% of the contract value. The lowest bidder had one local subcontractor, Columbia Electric, whose subcontract for \$13,600 represents 0.6% of the total contract value. Additionally, the lowest 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 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 guidance in achieving compliance 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 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 \$119,803) of the original contract amount and cumulative change orders up to 15% (or \$359,409) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

Current Agency Policies

- 2013-15 City Council Goal: Maintain and enhance the City's infrastructure
- 2013-15 City Council Goal: Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride

Previous Actions

- On May 16, 2016, by Resolution No. 2016-056, the City Council awarded a construction contract to Rosas Brothers Construction for the Curb Ramp Upgrades (2015-16) Project, Project No. 2016.0071
- 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

This action is consistent with Streets and Highways Goal No. 16 of the General Plan and Action Item 16.03: Regularly maintain City streets and traffic control devices to ensure that streets operate safely and efficiently.

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 October 2, 2015.

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
- Direct email notices were sent to the five contractors which previously bid on the Annual Overlay / Rehabilitation projects from 2013 to 2015.
- Two mandatory pre-bid meetings were held on June 9 and June 14, 2016. 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 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 Grand Avenue, Marina Boulevard and San Leandro Boulevard one week prior to the start of work at those locations.

Fiscal Impacts

The total project cost is estimated at \$3,380,000 as follows:

Design and Bid:	\$145,000
Ramp Construction:	\$276,000
Street Construction:	\$2,396,060
CM and Inspection:	\$200,000
<u>Construction Contingency:</u>	<u>\$362,940</u>
Total	\$3,380,000

Curb ramp upgrades will be completed via a separate construction contract, which has already been awarded and is currently in construction.

Budget Authority

This project will be funded as follows:

<u>Account No.</u>	<u>Reso, Appropriation Dates & Source</u>	<u>Amount</u>
141-38-369	Reso 2015-316, FY 2015-16, Measure BB	\$ 510,000
142-38-369	Reso 2015-316, FY 2015-16, Gas Tax	\$ 320,000
144-38-369	Reso 2015-316, FY 2015-16, Measure B	\$ 510,000
<u>210-38-369</u>	<u>Reso 2015-316, FY 2015-16, General Fund</u>	<u>\$1,000,000</u>
Subtotal		\$2,340,000

Additional appropriations for this project are as follows:

120-28-167 (DFSI Funds)	\$ 110,000
<u>141-38-369 (Measure BB Funds)</u>	<u>\$ 930,000</u>
Subtotal	
\$1,040,000	

Total Project Appropriation	\$3,380,000
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ATTACHMENTS

- List of street segments to receive overlay and reconstruction
- Summary Map of 2015-16 Maintenance Projects
- Bid Summary - Annual Overlay / Rehabilitation 2015-16

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