



DATE: June 1, 2021

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Awarding a Contract to Teichert Construction for the FY21 Pavement Improvement Project, Project No. 05227, 05236, 05238, 05295, 05297, in the Amount of \$10,538,547, and Approving an Administrative Change Order Budget in the Amount of \$861,453

RECOMMENDATION

That the Council approves Addendums No. 1 & 2 consisting of revisions to the plans and specification for the FY21 Pavement Improvement Project (PIP) and adopts the attached resolution (Attachment II) awarding the contract to Teichert Construction in the amount of \$10,538,547, and approving an administrative change order budget in the amount of \$861,453.

SUMMARY

The FY21 PIP calls for the rehabilitation of sixty-eight street sections and preventive maintenance of twenty-two street sections, for a total of ninety street sections (Attachment III). The proposed improvements will repair failed pavement sections and improve street surfaces.

On March 23, 2021, five (5) bids were received for the FY21 PIP. Granite Construction, of Santa Clara, submitted the lowest bid in the amount of \$11,132,333, which was 5.0% higher than the Engineer's Estimate of \$10,600,000. The City was informed by the second lowest bidder that the low bidder did not list the Department of Industrial Relations (DIR) registration numbers for the listed subcontractors on the bid form. On April 20, 2021, Council approved rejection of all bids and approved revised plans and specifications, and call for bids for the FY21 PIP.

On May 11, 2021, the project received four (4) bids. All but one bid was over the engineer's estimate. At \$10,538,547, the low bid received is \$61,453 or 0.6% below the engineer's estimate of \$10,600,000 and provides an opportunity to add other street sections to take advantage of the reasonable unit prices and available budget, including cost savings from last year's paving project, FY20 PIP.

Staff recommends award of contract to the responsible low bidder, Teichert Construction, in the amount of \$10,538,547, and authorizing a potential administrative change order budget of \$861,453 to be used at the discretion of the Public Works Director to add additional street segments to the project.

The total project budget of \$12,050,000 is funded via the Gas Tax, Measure B, Measure BB, Vehicle Registration Fees, and anticipated Road Repair and Accountability Act (RRAA) (SB1) funds.

BACKGROUND

On May 26, 2020¹, staff recommended Council approve a project list for the SB1 FY21 PIP Funding. A resolution was required to submit an application to the California Transportation Commission (CTC) to receive \$2,750,000 in funding for pavement improvement.

On June 2, 2020², staff recommended Council adopt a resolution authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement (PSA) with Pavement Engineering, Inc., (PEI) for engineering services associated with the FY21 PIP. The scope of work for PEI is limited to engineering review, pavement evaluation, measurement of field quantities, curb ramp design, and construction support.

On October 20, 2020, staff recommended Council adopt a resolution declaring the intention to establish the Old Highlands Benefit Assessment District and impose assessments for street improvements. Staff, the Old Highlands Homeowners Association (OHHA) Board, and property owners have agreed to share costs to include one or two streets to the annual pavement improvement projects for a period of five to six years. Cotati Street and Tribune Avenue have been selected by OHHA to be included in the FY21 PIP.

At the October 28, 2020³ Council Infrastructure Committee (CIC) meeting, staff presented the FY21 PIP, including street selection criteria, treatment types, and budget allocations.

On February 16, 2021, Council approved the plans and specifications for the FY21 PIP and called for bids to be received on March 23, 2021.

On March 23, 2021, five (5) bids were received for the FY21 PIP. Granite Construction, of Santa Clara, submitted the lowest bid in the amount of \$11,132,333, which was 5.0% higher than the Engineer's Estimate of \$10,600,000.

On March 30, 2021, the City was informed by the second to lowest bidder that the low bidder did not list the Department of Industrial Relations (DIR) registration numbers for the listed subcontractors on the bid form. A review of Public Contract Code 4104, confirmed that the City must require bidders include public works contractor registration numbers with the bid.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4544075&GUID=F617FA6F-C198-474E-B133-26C761043039&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=4548864&GUID=6506EE24-A2C3-455B-92E1-8A42B60887B1&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4677681&GUID=269B1B10-A818-456B-A7FC-26BD649B71EA&Options=&Search=>

Because the City's bidding instructions did not explicitly require the DIR registration numbers be listed in the bid form, three of the five contractors did not include the registration numbers for their subcontractors, including the low bidder.

On April 20, 2021, Council approved rejection of all bids for the FY21 PIP. A call for bids was scheduled and completed on May 11, 2021.

The annual pavement improvement project consists of up to four types of treatments:

Pavement Rehabilitation:

- 1) Standard overlay of the existing street pavement with new Hot Mix Asphalt surfacing.
- 2) Cold-In-Place Recycling (CIR), which involves removing the top layer of asphalt, mixing the removed aggregates with a recycling agent and other additives on-site, replacing this pavement material onto the same roadway, then applying a Hot Mix Asphalt overlay.
- 3) Full Depth Reclamation (FDR), which consists of pulverizing and mixing distressed asphalt and underlying pavement materials with or without the addition of stabilizing agents; using the resulting material as a base for the renewed pavement structure and adding a new Hot Mix Asphalt cap.

Preventive Maintenance:

- 4) Varying combinations of crack sealing, 6" spot repair, and micro-surfacing. Street selection for the annual pavement improvement projects are based on staff's analysis using several criteria described below:
 - **Technology** – The Pavement Management Program (PMP)⁴ evaluates current and predicts future roadway conditions. It provides logical and efficient methods of identifying street rehabilitation needs. It also determines the most cost-effective allocation of funds to the street segments needing preventive maintenance, rehabilitation, or reconstruction. Staff utilized the PMP to compile an initial list of recommended streets. This list is then revised to consider other criteria and project budget allocation parameters.
 - **Internal Reports** - Reports from the City's Maintenance Services staff on streets needing repair were considered.
 - **Council Members Input** – Councilmember requests for selecting streets were considered.
 - **Public Input** - Public requests for selecting streets were considered.
 - **Geographic Location** – Selecting streets in close vicinity to help lower construction bids was considered.

⁴ The PMP is a Metropolitan Transportation Commission (MTC) recommended software program.

- **Funding Availability** – Available funding and potential for obtaining outside grant funding was evaluated.

The Pavement Condition Index (PCI) is an overall rating of road conditions. The PCI of each arterial and collector street segment is evaluated by an independent third-party every other year, and each residential street segment is evaluated every five years.

<u>PCI Rating</u>	<u>Description</u>
100	This rating is given to newly constructed or rehabilitated roadways.
85 - 99	Highly functional roadway. No action required.
70 - 85	Roadway can be maintained ("preventive maintenance") with crack sealing, slurry seals, micro-surfacing, and some minor, localized pothole repairs. As the roadway pavement ages, preventive maintenance may not be effective after a few maintenance cycles.
40 - 70	Extensive "dig-outs," grinding, fabric, or asphalt overlays may be required to maintain (or "rehabilitate") roadway.
0 - 40	Roadway requires complete reconstruction using full depth reconstruction, cold in place recycling, or hot in-place recycling methods. If a street deteriorates beyond certain points, it becomes progressively more expensive to bring that street back to the desired standard.

As part of the 2018 Capital Improvement Program (CIP) agenda item at the November 29, 2017 CIC meeting, the CIC reviewed and agreed to the following budget allocations for annual pavement improvement projects:

- Minimum 20% for preventive maintenance (streets with PCI of 70-85).
- Minimum 15% for streets located in Industrial Hayward as recommended by the Economic Development Strategic Plan in 2014.
- Minimum 10% for deteriorated streets (streets with PCI of 0-30).

DISCUSSION

Based on prices from the lowest bidder using the criteria described above, the project parameters are as follows:

Project Budget Allocation	Goal	Current Performance	Difference
Preventive Maintenance Treatment	20% minimum	8%	- 12%
Streets Located in Industrial Hayward	15% minimum	22%	+ 7%
Streets with PCI Less than 30	10% minimum	39%	+ 29%

The project budget allocation is skewed towards streets in very poor condition (PCI less than 30) and less towards preventive maintenance due to various reasons:

- Including streets in very poor condition with high number of resident requests in order to improve and increase equity in distribution of City services (Roxanne Ave, Tulip Ave, Hermes Ct, Medinah St, & Arden Rd).
- Focus on selecting streets in neighborhoods adjacent to the Mission Blvd Corridor Phase 2 project. These streets have a high number of deteriorated streets and may have been further impacted by drivers using them as traffic detour routes for the Mission Blvd Corridor Phase 2 project.
- The establishment of the OHHA District requires the inclusion of streets from the area (Cotati St & Tribune Ave).

This selection requires both judgement and experience. Staff engaged an experienced consultant, PEI, to confirm the selection of streets sections, confirm the approximate level of treatment for each, and provide engineering support services.

7.2 miles of bike lane striping will be installed at the following locations:

- Arden Rd, from Eden Landing Rd to Baumberg Ave (2.4 miles)
- Arrowhead Wy, Industrial Pkwy to Mission Blvd (1.5 miles)
- Clawiter Rd, from Industrial Pkwy to Winton Ave (1.8 miles)
- Gresel St, Brae burn Ave to Mission Blvd (0.6 miles)
- Pulaski Dr, Revere Ave to City Limits (0.9 miles)

On April 26, 2021, staff published Addendum No. 1, which changed the pre bid meeting time.

On May 6, 2021, staff published Addendum No. 2, which included minor revisions to the specifications and provided additional design information for the contractor.

On May 11, 2021, four (4) bids were received for the FY21 PIP. Teichert Construction, of Pleasanton, submitted the lowest bid in the amount of \$10,538,547, which is 0.6% lower than the Engineer’s Estimate of \$10,600,000.

Granite Construction Company, Inc., of Santa Clara, submitted the second lowest bid in the amount of \$11,120,898.60, which is 4.7% over the Engineer’s Estimate.

Cost savings from last year’s paving project, FY20 PIP, provides an opportunity to increase the project scope. Staff will use the cost savings to include additional streets to the project.

All bid documents and licenses for the apparent low bidder, Teichert Construction, are in order. Staff recommends award of the contract to the responsible low bidder Teichert Construction, in the amount of \$10,538,547. Staff further recommends approval of an administrative change order budget of \$861,453 to be used at the discretion of the Public Works Director to add additional street segments to the project.

This project is categorically exempt from environmental review under Section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

ECONOMIC IMPACT

There is no measurable direct economic impact associated with this action.

FISCAL IMPACT

This project is funded by City's CIP and State RRAA (SB1) funds.

The project cost breakdown is as follows:

Teichert Construction's contract	\$10,538,547
Administrative Change Order Budget	<u>\$ 861,453</u>
Total Project Cost:	\$11,400,000

The estimated project funding sources are as follows:

210 - Gas Tax	\$1,450,000
212 - Measure BB - Local Transportation	\$3,700,000
215 - Measure B - Local Transportation	\$3,000,000
218 - Vehicle Registration Fee	\$1,000,000
211 - RRAA (SB1)	<u>\$2,900,000</u>
Total:	\$12,050,000

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project(s):

- Project 5, Part 5.a: Maintain Pavement Condition Index (PCI) at 70.
- Project 5, Part 5.c: Construct Various OHHA Pavement Improvements.

SUSTAINABILITY FEATURES

The project requires the contractor to recycle all construction and demolition debris as a result of the project.

This project is consistent with City's Complete Streets Policy and improves travel for all users including:

- Improved pavement for motorists
- Additional bike lanes and sharrows for bicyclists
- More visible pavement markings for pedestrians, including near school zones
- New or upgraded curb ramps to meet the recently revised Caltrans standards for pedestrians
- Use of recycled tires in RHMA pavement

The project satisfies the following General Plan policies:

- PFS-7.10 Recycled Products or Processes for Capital Projects
- HQL-2.5 Safe Routes to School
- HQL-2.6 Education on Sharing the Road
- M-1.7 Eliminate Gaps (in pedestrian networks)
- M-3.1 Serving All Users
- M-5.1 Pedestrian Needs
- M-5.6 Safe Pedestrian Crossings
- M-6.2 Encourage Bicycle Use

PUBLIC CONTACT

Immediately after the construction contract is awarded, a preliminary notice explaining the project will be posted and distributed to all residents and businesses along the affected streets. After the construction work has been scheduled, signs on barricades will be posted seventy-two hours prior to commencement of work indicating the date and time of work for each street. Residents will be advised to park their vehicles on side streets outside of the work area during the period when the streets are being treated.

NEXT STEPS

July 2021	Start of Construction
November 2021	End of Construction

Prepared by: Yama Farouqi, Associate Engineer
Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager