TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: PUBLIC WORKS
DATE: JUNE 20, 2005
CMR:291:05
SUBJECT: APPROVAL OF A CONTRACT WITH O'GRADY PAVING INCORPORATED IN THE AMOUNT OF $1,621,753 FOR THE 2005 STREET MAINTENANCE PROGRAM PHASE 2 CAPITAL IMPROVEMENT PROGRAM PROJECT PE-86070

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract in the amount of $1,621,753 with O'Grady Paving, Incorporated for the 2005 Street Maintenance Program Phase 2 Capital Improvement Program Project PE-86070 (Attachment A); and

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with O'Grady Paving Incorporated for related, additional but unforeseen work that may develop during the project, the total value of which shall not exceed $162,175.

BACKGROUND
Annually, Public Works Engineering manages the resurfacing and reconstruction of various City streets. The candidate streets are surveyed and rated biannually by a computerized pavement management system. The project typically encompasses about eight lane miles of asphalt concrete paving and eight lane miles of slurry sealing each year with a project budget averaging $1.9 million per year for all phases of the project. In 2003 and 2004, Public Works Engineering implemented the first multi phased resurfacing project and bid one phase for concrete repairs and a second phase for asphalt concrete resurfacing. This method is more cost effective avoiding the typical 15% markup associated with the concrete work removed from the single project method resulting in increased street repairs.

In 2005, Public Works Engineering will take this method one step further by creating a three (3) phase resurfacing project. Phase One (1), University Circle, is already complete and focused on concrete slab replacement. Phase Two (2) is focused on asphalt concrete resurfacing and overlays, and Phase Three (3) will be focused on preventative maintenance utilizing slurry and cape sealing which will go out for bids soon. The Phase 1 budget was $140,000 to replace the failed concrete slabs on University Circle, Phase 2 is estimated at $1,609,000 and Phase 3 is estimated at $330,000.
DISCUSSION
Project Description
The project scope of the proposed 2005 Street Maintenance Project includes overlaying six lane miles, slurry sealing nine lane miles, cape sealing six lane miles, and Portland Cement Concrete base repair on half a lane mile of city streets. Attachment B provides a list of streets to be resurfaced and or to receive maintenance related work. Part of the asphalt overlay and slurry seal work includes related work such as lane striping and various concrete work such as replacement of curb ramps, curb and gutters, and sidewalks. Curb ramps will be installed to comply with the guidelines of the Americans with Disabilities Act (ADA).

The resurfacing project is placing a greater emphasis on rehabilitating the older concrete streets in downtown Palo Alto. Streets in the base bid include one block of Cowper Street from Lytton Avenue to University Avenue, three blocks of Webster Street from Hamilton Avenue to Channing Avenue, one block of Hamilton Avenue from Webster Street to Byron Avenue, one block of Byron Avenue from Hamilton Avenue to University Avenue and two blocks of Channing Avenue from Bryant Street to Cowper Street.

Three add alternates have been included in the Phase 2 project.
Add/Alternate #1:
• two blocks of Cowper Street from Forest Avenue to Channing Avenue
Add/Alternate #2:
• one block of Hamilton Avenue from Byron Avenue to Middlefield Road
• one block of Kipling Street from Homer Avenue to Channing Avenue
Add/Alternate #3:
• three blocks of Stanley Way from Walnut Drive to Walter Hays Drive
• three blocks of Walnut Drive from Newell Avenue to Lois Lane

Additionally, pavement and new valley gutters will be installed on Paradise Way from Laguna Avenue to Paradise Cul-de-sac as part of the Barron Park improvements. All asphalt paving will be resurfaced on Ash Avenue from Portage Avenue to Lambert Avenue, Hale Street from Hamilton Avenue to Forest Avenue, Ventura Avenue from El Camino Real to Park Boulevard, El Dorado Avenue from Cowper Street to Waverly Street and a section of South Court from Colorado Avenue to the cul-de-sac. All these streets were coordinated for resurfacing directly after the sidewalk replacement program was completed by Public Works Operations and the Utilities Department work in these areas.

In addition, the Phase 2 Contract will incorporate the removal and complete replacement of the asphalt concrete parking lots and driveways at Fire Stations #1 and #2 funded from Public Works Facilities CIP PF-01004, Fire Station Improvements. Several storm drain repairs will be made to damaged pipe sections simultaneously on streets scheduled for resurfacing to avoid trenching them in the near future.

Following the award of contract, businesses and residents affected by the project will be notified. The contractor will also hand deliver door hanger notices seven days and 24 hours in advance of the construction work. Work is expected to start in July and be complete in 160 days.
Bid Process
A notice inviting formal bids for the 2005 Street Maintenance Project, Phase 2 was posted at City Hall on May 17, 2005 and sent to eleven builders' exchanges and fifteen bidders. The bidding period was 21 days. Bids were received from three qualified contractors on June 7, 2005 as listed on the attached bid summary (Attachment C). Bids ranged from a high of $2,084,938 to a low bid of $1,621,753. One bid was found to be non-responsive due to incomplete bid pricing.

Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>2005 Street Maintenance Program Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>160 calendar days</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>15</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>11</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>21</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>No</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>0</td>
</tr>
<tr>
<td>Number of Complete Bids Received:</td>
<td>2*</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>$1,621,753 to a high of $2,084,938</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment C. The Certification of Nondiscrimination is Attachment D.

Staff has reviewed all bids submitted and recommends that the bid of $1,621,753 submitted by O’Grady Paving Incorporated be accepted and that O’Grady Paving Incorporated be declared the lowest responsible bidder. The bid is less than one percent over the engineer’s estimate of $1,609,000. The change order amount of $162,175 (which equals 10 percent of the total contract) is requested to resolve unforeseen problems and/or conflicts that may arise during the construction period.

Staff checked references supplied by the contractor for previous work performed and found no significant complaints. Staff also checked with the Contractor's State License Board and found that the contractor has an active license on file.

**RESOURCE IMPACT**
Funds for this project are included in the Street Maintenance Capital Improvement Program Project PE-86070, Fire Station PF-010004 budget, and the Storm Drain Capital Fund (contingent upon Council approval of the FY 2005-2006 budget). Due to the size of this annual maintenance project, City staffing levels are not adequate to accomplish the construction work in-house. In addition, the City does not own the type and amount of equipment required to perform this work and staff believes that it is cost effective to have this work performed by outside contractors.

**POLICY IMPLICATIONS**
This recommendation does not represent any change to existing City policies.

**ENVIRONMENTAL REVIEW**
This project has been determined to have no significant effect on the environment and to be
categorically exempt from review under the California Environmental Quality Act (CEQA) as repair and maintenance of existing streets and similar facilities pursuant to CEQA Guidelines, Section 15301 (c).

ATTACHMENTS
Attachment A: Contract
Attachment B: List of Streets
Attachment C: Bid Summary
Attachment D: Certificate of Non Discrimination

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Director of Public Works

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