



## CITY COUNCIL STAFF REPORT

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Public Works**

**Meeting Date: February 27, 2023**

Report #: {{item.custom\_tracking\_number}}

### **TITLE**

Approval of Construction Contract with O’Grady Paving, Inc. (#C23186898) in the Amount of \$2,509,460 and Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$250,946 for the Fiscal Year 2023 Street Resurfacing Project, Capital Improvement Program Projects Street Maintenance PE-86070 and Storm Drainage System Replacement and Rehabilitation SD-06101; CEQA status—exempt under CEQA Guidelines section 15301(c)

### **RECOMMENDATION**

Staff recommends that Council:

1. Approve and authorize the City Manager or their designee to execute construction contract No. C23186898 with O’Grady Paving, Inc. Contract, in the amount of \$2,509,460 for the Palo Alto Fiscal Year 2023 Street Resurfacing Project, Capital Improvement Program Projects Street Maintenance PE-86070, and Storm Drainage System Replacement and Rehabilitation SD-06101;
2. Authorize the City Manager or their designee to negotiate and execute change orders to the contract No. C23186898 with O’Grady Paving, Inc., the total value of which shall not exceed \$250,946, for related, additional but unforeseen work that may arise; and
3. Adopt a determination that the project is exempt under CEQA Guidelines section 15301(c).

### **BACKGROUND**

The Public Works Engineering Services Division manages construction contracts for concrete repair, preventive maintenance, resurfacing, and reconstruction of various City streets annually. In more recent years, additional Capital Improvement Program (CIP) projects are being built through annualized resurfacing contracts due to the complexity of construction and benefit of

being included in a larger project.

The candidate streets are surveyed biennially by Public Works Engineering staff and rated by a computerized pavement maintenance management system (PMMS) and by the Metropolitan Transportation Commission's (MTC) pavement analysis program. Staff spends additional time to rate and provides additional consideration and priority to streets with bicycle facilities.

## **ANALYSIS**

### **Project Description**

Staff recommends approval of Contract No. C23186898<sup>1</sup> as part of the street resurfacing program to maintain and improve the condition of Palo Alto's streets. The \$2,509,460 expenditure for this contract will be used to repave 6.41 lane-miles of arterial and residential streets with Pavement Condition Indexes (PCI) averaging 52. This will help maintain and improve the City's PCI beyond its average of 83 and will address many streets whose PCI scores fall below the City's minimum goal of 60.

The scope of work includes the replacement of approximately 1,925 linear feet (0.36 miles) of curbs and gutters, 5,310 square feet of driveways, and 8,084 square feet of sidewalks. Additionally, 33 new curb ramps will be installed, and 8 existing curb ramps will be retrofitted with truncated domes to conform to the Americans with Disabilities Act (ADA).

The replacement of a corrugated metal pipe storm drain pipeline at Campesino Avenue and Waverley Avenue is also incorporated into this resurfacing project and contract to avoid redundancy in street restoration. This metal pipe was proposed to be lined as part of the recent Storm Drainage System Replacement and Rehabilitation project, but was found during construction to have further eroded and was unable to be lined at the time. This project proposes to replace 612 linear feet of corroded corrugated metal pipe with new 12" diameter high density polyethylene (HDPE) pipe. Replacing this section of broken pipe will improve the integrity of the storm drain system.

The streets being resurfaced in this contract are shown in Attachment A.

### **Procurement Process**

On November 30, 2022, an invitation for bids (IFB) for the Palo Alto FY 2023 Street Resurfacing Project was posted on the City's Planet Bids eProcurement system. The bidding period was 21 calendar days. The City received five proposals from qualified contractors on December 21, 2022 as listed on the attached Proposal Summary (Attachment B).

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<sup>1</sup> Contract No. C23186898 <https://cityofpaloalto.org/files/assets/public/public-works/engineering-services/cip-contracts/fy2023-street-resurfacing-contract.pdf>

## Summary of Procurement Process

<b>Palo Alto FY 2023 Street Resurfacing Project IFB #186898</b>	
<b>Bid Name/Number</b>	
<i>Proposed Length of Project</i>	120 calendar days
<i># of Bid Packages Downloaded by Builder's Exchanges</i>	3
<i># of Bid Packages Downloaded by Contractors</i>	29
<i>Total Days to Respond to Bid</i>	21
<i>Pre-Bid Meeting?</i>	No
<i># of Bids Received:</i>	5
<i>Bid Price Range</i>	\$2,509,460 - \$3,520,655
<i>Public Link to Solicitation</i>	<a href="https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/100183">https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/100183</a>

Bids ranged from \$2,509,460 to \$3,520,655 and from 15% below to 19% above the engineer's estimate of \$2,956,878. Staff reviewed the submitted bids and recommends acceptance of the base bid and bid alternate numbers 1 and 2 submitted by O'Grady Paving, Inc. in the amount of \$2,509,460, and that O'Grady Paving, Inc. be declared the lowest responsible bidder. The construction contingency amount of \$250,946, which equals approximately 10 percent of the contract value, is requested for related, additional, but unforeseen work which may arise during the project, implemented via City-approved change orders.

Staff reviewed information and similar projects performed by the lowest bidder, O'Grady Paving, Inc., and found them to be the lowest responsive and responsible bidder. Staff also confirmed with the Contractor's State License Board that this contractor has an active license on file.

### **FISCAL/RESOURCE IMPACT**

Funding for this contract is available in the Fiscal Year 2023 Capital Improvement Program Street Maintenance project (PE-86070), and Storm Drainage System Replacement and Rehabilitation project (SD-06101).

The funding allocation is as follows:

<b>Funding Source</b>	<b>Contract</b>	<b>Contingency</b>	<b>Total Encumbrance</b>
<b>PE-86070</b>	\$2,159,516	\$215,952	\$2,375,468
<b>SD-06101</b>	\$349,944	\$34,994	\$384,938
<b>Total</b>	<b>\$2,509,460</b>	<b>\$250,946</b>	<b>\$2,760,406</b>

**STAKEHOLDER ENGAGEMENT**

All streets have been coordinated with the City's Utilities Department and the Office of Transportation to minimize the cutting of newly resurfaced streets. Additionally, staff reviews the proposed five-year paving plan streets annually with the Pedestrian and Bicycle Advisory Committee (PABAC), with an emphasis on the streets included in the first year of the plan. Recognizing the importance of bicycle safety as a factor in selecting streets for the annual repaving project, staff is initiating an additional annual review of the five-year paving plan by PABAC's Repaving Subcommittee. This additional review will be completed before finalizing next year's (FY 2024) street selections.

Extensive public outreach will be conducted before and during the construction phase to keep the community informed throughout the process, including flyers sent to adjacent residences and businesses, and notices posted online on Nextdoor and the City's website.

**POLICY IMPLICATIONS**

This project is in conformance with the City of Palo Alto's Comprehensive Plan and does not represent any changes to existing City policies. The project meets the Water Resources Goal N-4 and Policy N-4.14 on improving storm drainage performance by constructing new system improvements where necessary. This project is consistent with the City's Storm Drain Master Plan and its goal to manage urban runoff and protect public health and safety.

**ENVIRONMENTAL REVIEW**

Street resurfacing projects are categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301(c)c of the CEQA Guidelines as repair, maintenance and/or minor alteration of the existing facilities and no further environmental review is necessary.

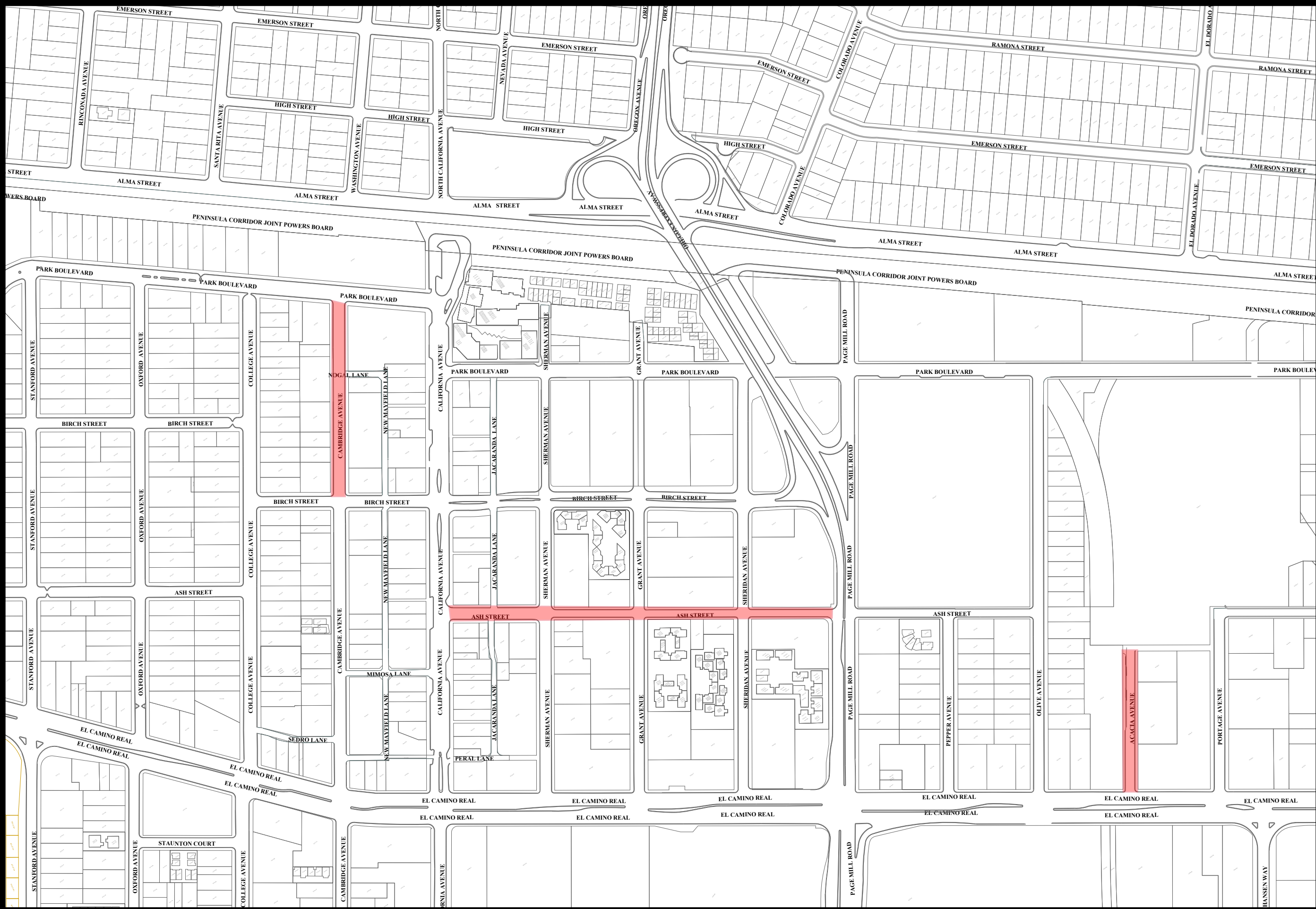
**ATTACHMENTS**

Attachment A: Project Map

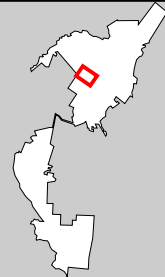
Attachment B: Proposal Summary

**APPROVED BY:**

Brad Eggleston, Director Public Works/City Engineer



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FY2023 OVERLAY MAP

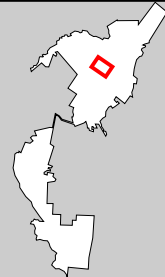
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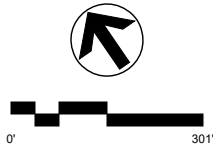


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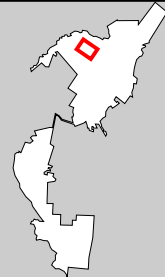
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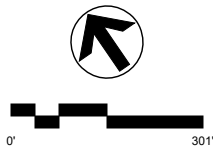


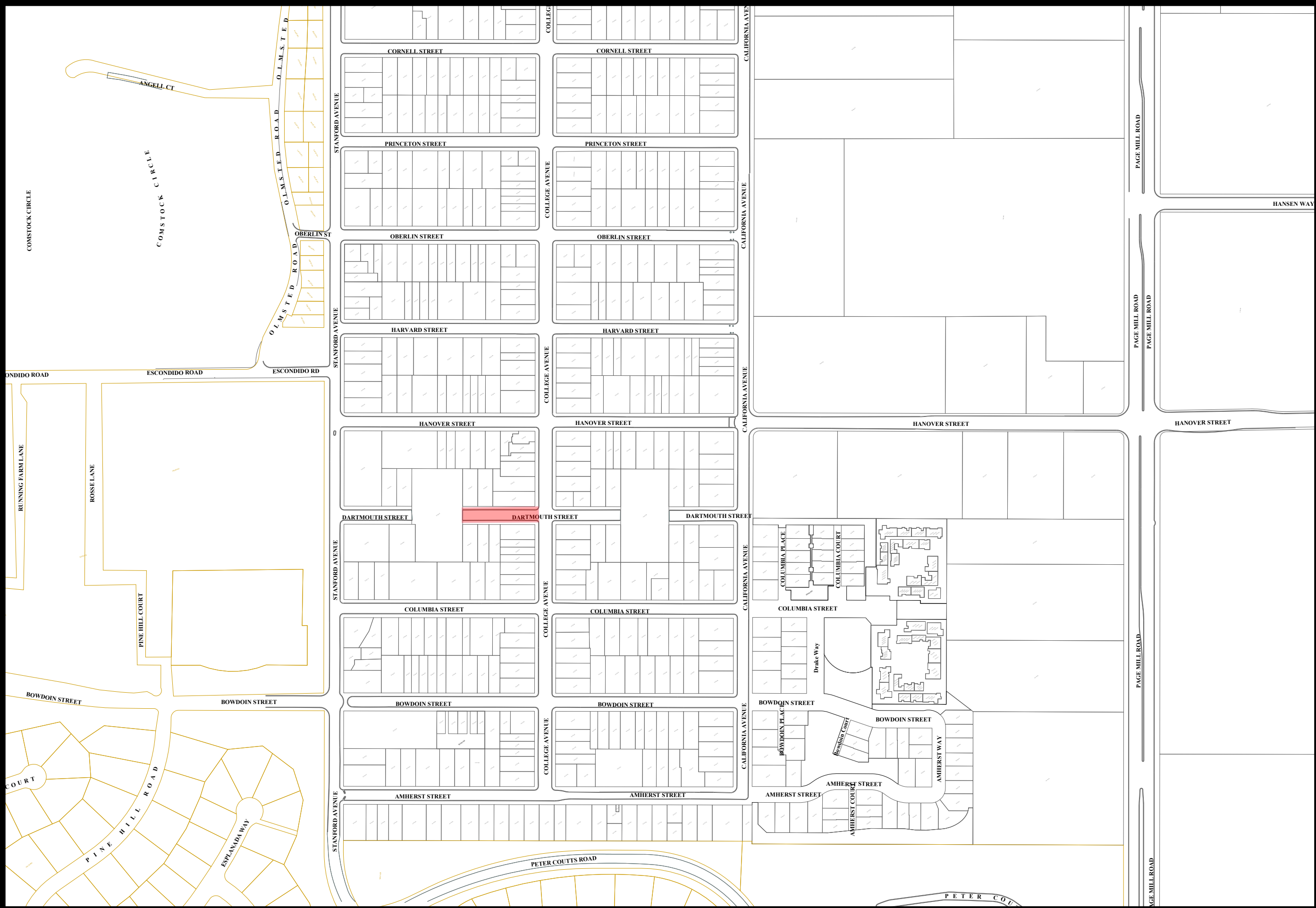
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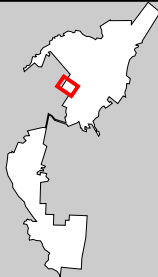
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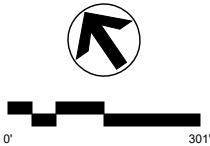


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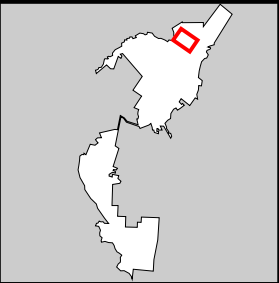
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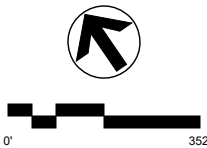


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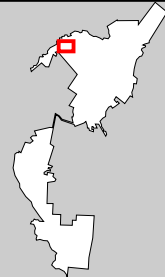
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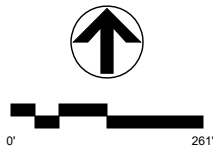


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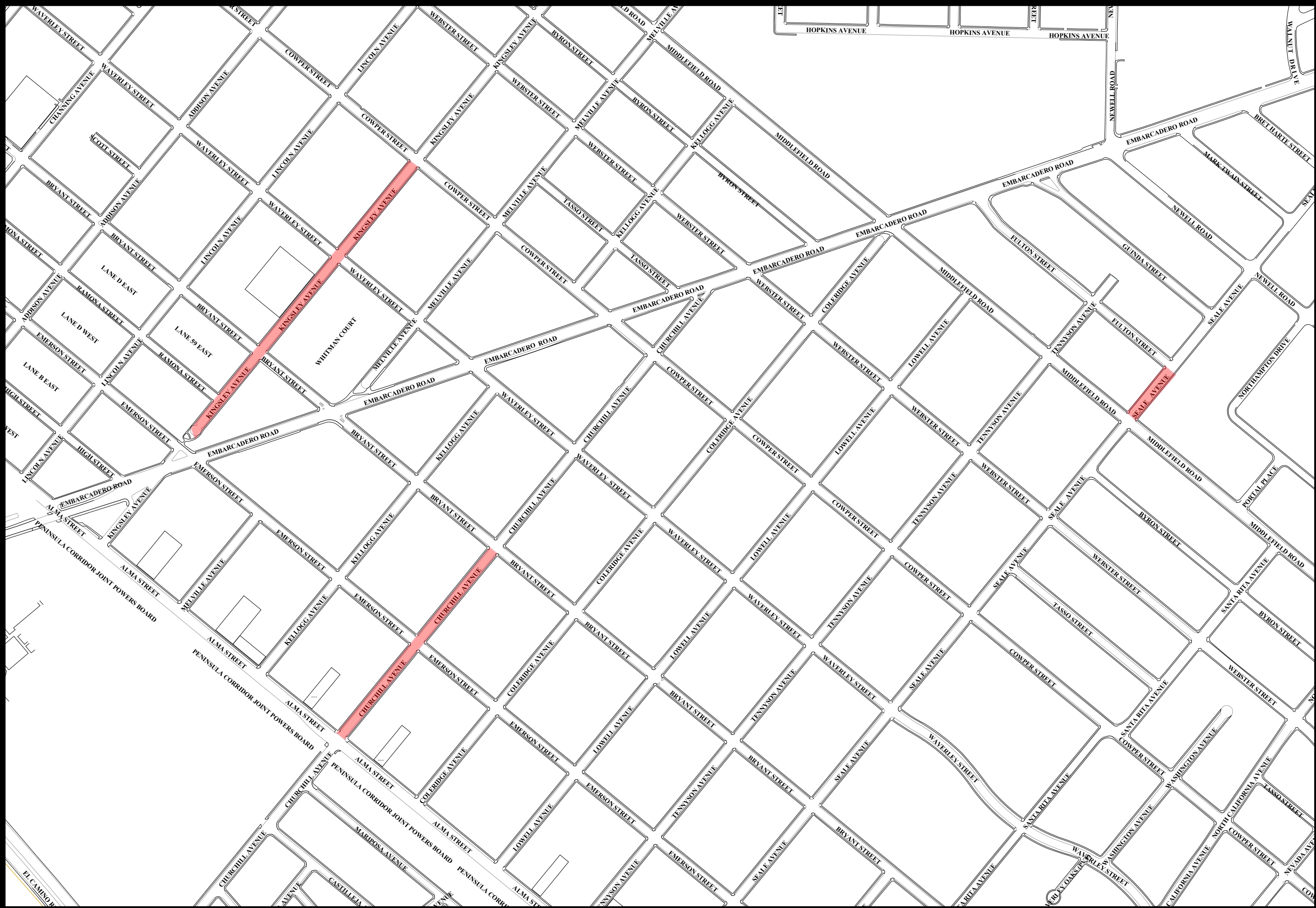


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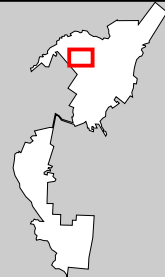
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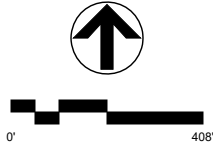


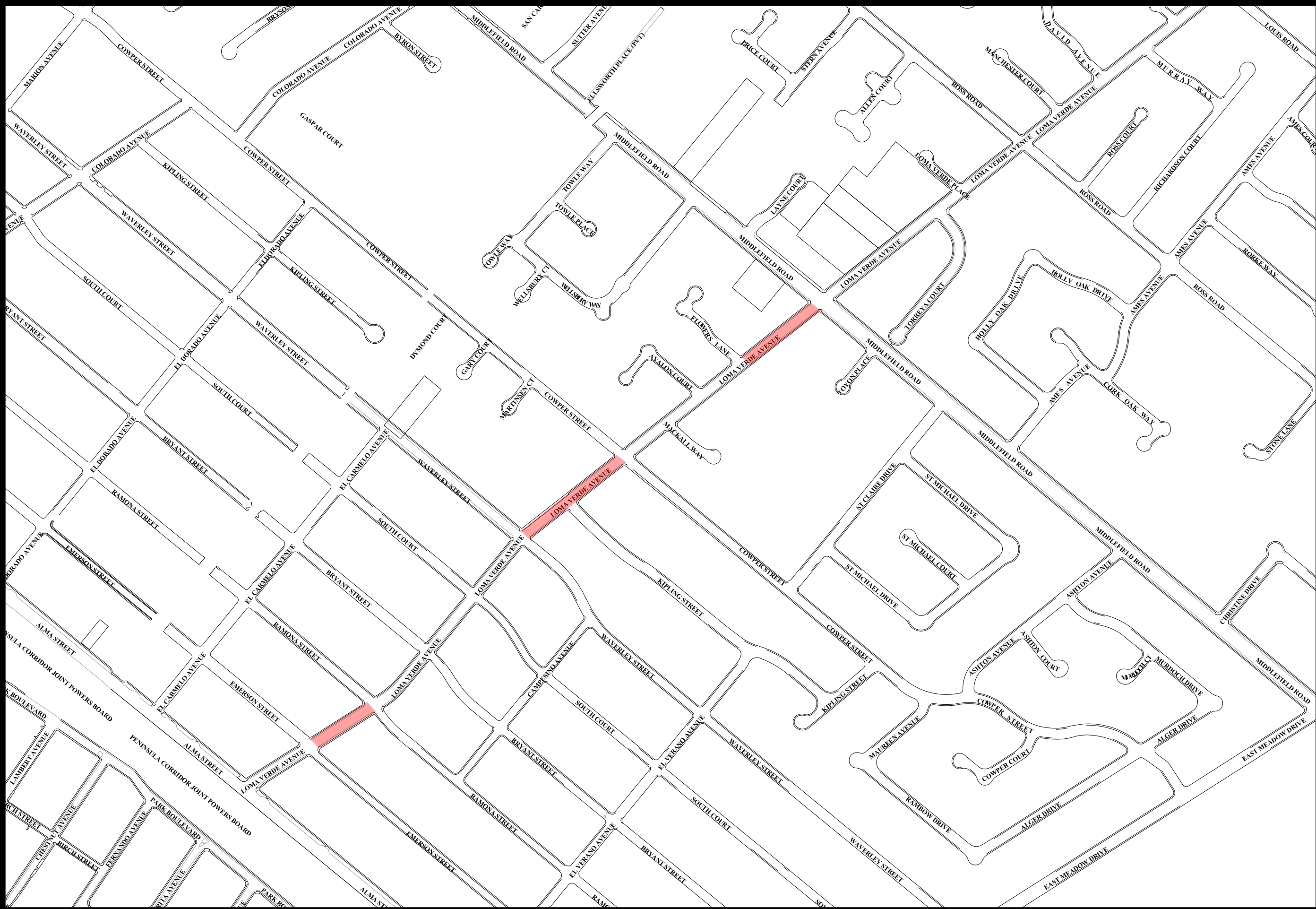
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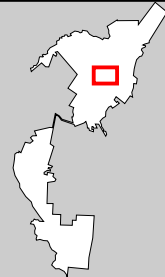
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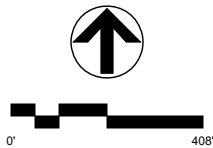


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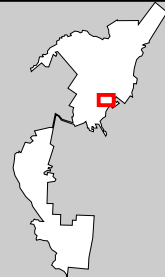
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