



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Public Works

Meeting Date: March 11, 2024

Report #:2401-2479

TITLE

Approval of Construction Contract C24190072 with O'Grady Paving, Inc. in the Amount of \$5,432,037 and Authorization for the City Manager or Their Designee to Negotiate and Execute Change Orders for Related Additional but Unforeseen Work that May Develop During the Project Up to a Not-to-Exceed Amount of \$543,204 for the Fiscal Year 2024 Asphalt Paving Project, Capital Improvement Program Projects PE-86070, PO-89003, CB-17001, PE-20001, PE-09003, and SD-06101; CEQA status – exempt under CEQA Guidelines Section 15301(c) and 15301(d)

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or their designee to execute construction contract C24190072 with O'Grady Paving, Inc. in the amount \$5,432,037 for Palo Alto Fiscal Year 2024 Street Resurfacing Project (Capital Improvement Program Projects PE-86070, PO-89003, CB-17001, PE-20001, PE-09003 and SD-06101); and
2. Authorize the City Manager or their designee to negotiate and execute one or more change orders to the contract with O'Grady Paving, Inc. for related, additional, and unforeseen work that may develop during the project, the total value of which shall not exceed \$543,204.

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 City uses StreetSaver, the Metropolitan Transportation Commission's (MTC) pavement management system which is used by almost all Bay Area jurisdictions. The Pavement Condition Index (PCI) is calculated by evaluating a sample pavement section on each block for different ratings variables from mild to severe – including raveling, potholes, amount of trenches, and base

failures. These factors are entered into the StreetSaver program and a PCI is calculated. All staff who evaluate street conditions and pavement distresses have multiple years of experience and have been trained by MTC.

While staff uses the PCI scores to prioritize streets, staff also takes into consideration additional information including coordination with Utilities projects and Office of Transportation planned striping improvements, and whether the street has bike lanes or is a bicycle boulevard. Staff also tries to group multiple streets in a neighborhood whenever possible, so that construction is not occurring over multiple years if it can be avoided. Additionally, each block has its own estimated repair cost, which impacts how many streets can be in each project given the annual funding amounts. The streets included in this year's resurfacing contract were selected previously with the Senate Bill 1 Resolution approved by Council in June of 2023.¹

During last year's winter, areas within Barron Park were identified that had substantial drainage issues. These areas have been selected for valley gutter improvements to improve drainage and longevity of the roadway surface by providing the proper channel for water to flow without damaging the roadway. Once problem areas have been pinpointed, the community is notified, and a meeting is requested to establish support for the creation of the gutters. Valley gutters are then installed along the existing pavement's edge to maintain the existing roadway surface while providing drainage improvements.

There are more than 180 bridge and culvert structures owned and maintained by the City. A structural consulting firm inspected 50 City-owned bridges and culverts in 2017, after which a recurring bridge inspection, maintenance, and repair program was established in fiscal year 2020. This program includes on-going inspections of the bridge and culvert structures, recommendations for repairs, and maintenance to meet functional and structural improvements in accordance with industry standards. In general, the recommended recurring inspection frequency for these structures is two to four years. As part of the recurring bridge inspection program, 25 of the 50 City-owned bridges inspected in 2017 were prioritized for inspections in 2022. Based on the findings from the condition assessment, six bridges were prioritized for repairs.

ANALYSIS

Staff recommends approval of Contract No. C24190072² as part of the program to maintain and improve the condition of Palo Alto's streets. The \$5,432,037 expenditure for this contract will be used to repave 9.59 lane-miles of arterial and residential streets with PCI scores averaging 45. This will help maintain and improve the City's PCI beyond its average of 84 and will address many streets whose PCI scores fall below the City's minimum goal of 60.

¹ City Council, June 05, 2023; Agenda Item #5; SR #2304-1382,
<https://portal.laserfiche.com/Portal/DocView.aspx?id=66091&repo=r-704298fc>

² O'Grady Paving Construction Contract C24190072;
<https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/ograde-paving-construction-contract-for-fy2024-street-resurfacing-project-c24190072.pdf>

The scope of work also includes the replacement of approximately 2,417 linear feet of curbs and gutters, 3,371 square feet of driveways, 1,600 linear feet of valley gutters in Barron Park, and 10,149 square feet of sidewalks. The Cubberley Parking Lots will also be partially resurfaced and restriped as part of this contract, with 13,500 square feet of base repairs and 18,000 linear feet of striping refurbishment. Additionally, 37 new curb ramps will be installed, and 12 existing curb ramps will be retrofitted with truncated domes to conform to the Americans with Disabilities Act.

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

The City prioritized 6 of the 25 bridges inspected in 2022 for repair this fiscal year based on the findings of the condition assessment. The structural repairs included the contract are both corrective and preventive maintenance measures that will prolong the serviceable life of the structures and improve safety. Typical structural repairs include glulam girder repairs, decking and guardrails repair/replacement, and structural section loss repairs.

Bid Process

On December 26, 2023, an Invitation for Bids (IFB) for the Palo Alto FY 2024 Street Resurfacing Project was posted on OpenGov, City’s eProcurement system. The bidding period was 27 calendar days. The City received four (4) bids from qualified contractors on January 22, 2024, as listed on the attached Bid Summary (Attachment B).

Table 1: Summary of Bid Process	
Bid Name/Number	Palo Alto FY 2024 Street Resurfacing Project IFB #190072
Proposed Length of Project	120 calendar days
Number of Bid Packages Downloaded by Builder’s Exchanges	2
Number of Bid Packages Downloaded by Contractors	32
Total Days to Respond to Bid	27
Pre-Bid Meeting?	No
Number of Bids Received:	4
Bid Price Range	\$5,432,037 - \$7,678,093
Public Link to Solicitation	https://procurement.opengov.com/portal/palo-alto-ca/projects/73461

Bids ranged from \$5,432,037 to \$7,678,093 and from 5% to 49% above the engineer’s estimate of \$5,161,534. Staff reviewed the submitted bids and recommends the acceptance of the base bid and bid alternate number 1 submitted by O’Grady Paving, Inc. in the amount \$5,432,037, and that O’Grady Paving, Inc. be declared the lowest responsible bidder. The construction contingency amount of \$543,204, which equals approximately 10 percent of the contract value, is requested for related, additional, but unforeseen work which may develop during the project, implemented via City-approved Change Order.

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 checked with the Contractor's State License Board and confirmed the contractor has an active license on file.

FISCAL/RESOURCE IMPACT

Funding for this contract is available in the Fiscal Year 2024 Adopted Capital Improvement Program Street Maintenance (PE-86070), Sidewalk Repairs (PO-89003), Cubberley Repairs (CB-17001), City Facility Parking Lot Maintenance (PE-09003), Storm Drain Rehab (SD-06101), and City Bridge Improvements (PE-20001) projects.

The funding allocation is as follows:

Table 2: Funding Allocation			
CIP Project Funding Source	Contract Amount	Contingency Amount	Total Encumbrance
PE-86070	\$4,356,023	\$435,602	\$4,791,625
PO-89003	\$200,000	\$20,000	\$220,000
CB-17001	\$226,297	\$22,630	\$248,927
PE-20001	\$518,450	\$51,845	\$570,295
PE-09003	\$101,267	\$10,127	\$111,394
SD-06101	\$30,000	\$3,000	\$33,000
TOTAL	\$5,432,037	\$543,204	\$5,975,241

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, recognizing the importance of bicycle safety as a factor in selecting streets for the annual repaving project, 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. 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.

A community meeting was held at the Barron Bark Elementary School’s Multipurpose Room on January 17, 2024 to discuss the proposed valley gutter installation on Barron Avenue from La Donna to Whitsell. A total of four residents attended the meeting. After the information and details had been discussed, attendees expressed support for the installation of valley gutters on Barron Avenue.

ENVIRONMENTAL REVIEW

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

The bridge repairs are categorically exempt from California Environmental Quality Act (CEQA) under Section 15301(d) – Existing Facilities.

ATTACHMENTS

Attachment A: FY2024 Street Resurfacing Project Street List and Project Map

Attachment B: Bid Summary

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer

Workflow Report For Item #2401-2479

Department: Public Works **Division:** Engineering Services - Public Works

This report indicates who this report will be routed to according to the set workflow at the time it was created. If you need additional review, please use the peer review function. To check the current status of the report, please search for the item in Tasks.

Workflow Step	Assigned User(s)
Originator	Tyler Botkin
Public Works Section Manager Review	Young Tran
Public Works Division Management Analyst	Alesha Boyd
Division Manager Review	Holly Boyd
Senior Admin Assistant	Vanessa Silva
Senior Management Analyst Review	Michelle Nelson
Department Head Review	Brad Eggleston
Purchasing Manager Review	Nanette O'Brien
Department Budget Manager Review	Naomi Hsu
ASD Review	Christine Paras
Legal Review	Mark Vanni
Department Head Review (Second)	Brad Eggleston
ACM Review	Kiely Nose
CM Review	Ed Shikada
Department Head Review (Third)	Brad Eggleston
Clerk Review (Final)	Mahealani Ah Yun
Approve Item On Agenda	Automated Step