



CITY OF  
**PALO  
ALTO**

## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Public Works**

**Meeting Date: April 15, 2024**

Report #:2403-2708

### **TITLE**

Approval of Construction Contract C24190225 with Graham Contractors, Inc. in an Amount Not-to-Exceed \$1,594,195 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 \$159,420 for the Fiscal Year 2024 Streets Preventive Maintenance Project, Capital Improvement Program Projects PE-86070, and PO-11001; 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 a construction contract with Graham Contractors, Inc., Contract No. C24190225, in an amount not to exceed \$1,594,195 for the Fiscal Year 2024 Streets Preventive Maintenance Project (Capital Improvement Program projects PE-86070 and PO-11001) for street maintenance; and
2. Authorize the City Manager or their designee to negotiate and execute one or more change orders to the contract with Graham Contractors, Inc. for related, additional but unforeseen work that may develop during the project, the total value of which shall not exceed \$159,420.

### **BACKGROUND**

Public Works Engineering Services Division manages construction contracts for concrete repair, preventive maintenance, resurfacing and reconstruction of various City streets annually. In recent years, additional Capital Improvement Program (CIP) projects are being built through the 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 variable from mild to severe - including weathering, potholes, trenches, and base

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

While the PCI score is used to prioritize streets, staff also takes into consideration additional information which includes project coordination with the Utilities Department and planned striping improvements with the Office of Transportation. Additionally, staff coordinates with the Public Works Public Services Division to refresh pavement markings that may have faded as part of CIP project PO-11001, Thermoplastic Lane Marking and Striping.

## **ANALYSIS**

### Project Description

Staff recommends approval of Contract No. C24190225<sup>1</sup> as part of the street surfacing program to maintain and improve the condition of Palo Alto’s streets. The \$1,594,195 expenditure for this contract includes preventive maintenance of approximately 15 lane-miles of public streets (1.1 million square feet) with PCI scores averaging 78. This will help maintain and improve the City’s PCI beyond its average of 84 and will address streets whose PCI scores are between 70-85 to slow the rate at which they deteriorate. Preventive maintenance includes base failure repair, crack sealing, slurry seal application, and new thermoplastic striping. The streets and other work sites included in this contract are listed in Attachment A.

The project scope also includes the replacement of approximately 12,425 linear feet of thermoplastic striping and 60 pavement legends.

### Bid Process

On February 8, 2024, an invitation for bids (IFB) for the FY24 Streets Preventive Maintenance Project was posted online on OpenGov, the City’s eProcurement system, and sent to 2,978 builder’s exchanges and contractors. The bidding period was 21 calendar days. The City received three bids from qualified contractors on February 29, 2024, as listed on the attached Bid Summary in Attachment B.

<b>Table 1: Summary of invitation for Bids</b>	
Project Bid Name/Number	FY24 Streets Preventive Maintenance Project IFB #190225
Proposed Length of Project	90 calendar days
Number of Bid Packages Downloaded by Builder’s Exchanges	2
Number of Bid Packages Downloaded by Contractors	25
Total Days to Respond to Bid	21
Mandatory Pre-Bid Meeting	No

<sup>1</sup> Graham Contractors, Inc., FY24 Streets Preventive Maintenance Project, Contract #C24190225; [https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/c24190225-graham-contractors\\_cc\\_staff-report.pdf](https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/c24190225-graham-contractors_cc_staff-report.pdf)

Number of Bids Received:	3
Base Bid Plus Bid Alternate Number 1 Price Range	\$1,594,195 to \$1,773,205
Public Link to Solicitation	<a href="https://procurement.opengov.com/portal/palo-alto-ca/projects/79453">https://procurement.opengov.com/portal/palo-alto-ca/projects/79453</a>

The apparent low bidder was selected based upon the total of the base bid plus add alternate 1. The bids ranged from \$1,594,195 to \$1,773,205 and from 5% under the engineer’s estimate to 6% over the engineer’s estimate. Staff reviewed the submitted bids and recommends the acceptance of the base bid and bid alternate number 1 submitted by Graham Contractors, Inc. in the amount of \$1,594,192, and that Graham Contractors, Inc. be declared the lowest responsible bidder. The construction contingency amount of \$159,420, which equals approximately 10 percent of the total contract value, is requested for related, additional, but unforeseen work, which may develop during the project, implemented via City-approved Change Order.

Staff reviewed other similar projects performed by the lowest responsible bidder, Graham Contractors, 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) and Thermoplastic Lane Marking and Striping (PO-11001) projects.

Table 2: Funding Allocation			
Funding Source	Contract	Contingency	Total Funding
PE-86070	\$1,506,580	\$150,658	\$1,657,238
PO-11001	\$87,615	\$8,762	\$96,377
<b>Total</b>	<b>\$1,594,195</b>	<b>\$159,420</b>	<b>\$1,753,615</b>

**STAKEHOLDER ENGAGEMENT**

All streets have been coordinated with the City’s Utilities Department and Office of Transportation to minimize the cutting of newly resurfaced streets. Extensive public outreach will be conducted prior and during the construction phase to keep the community informed, including flyers sent to adjacent residences and businesses. Residents and businesses impacted by the project will be notified via mailer prior to the start of any work detailing where and what type of work is to be expected for the duration of the project. Paving notices will be distributed to impacted parties both 7 days and 24 hours prior to the full street closures. The City website will be updated with the digital version of the mailer as well as the latest construction schedule for full street closures. The schedule will be updated as necessary.

**ENVIRONMENTAL REVIEW**

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

**ATTACHMENTS**

Attachment A: Street List and Project Maps

Attachment B: Bid Summary

**APPROVED BY:**

Brad Eggleston, Director Public Works/City Engineer

## Workflow Report For Item #2403-2708

**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.

<b>Workflow Step</b>	<b>Assigned User(s)</b>
Originator	Isaac Calvillo
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