



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/21/2020

ITEM NO: 7

DATE: January 13, 2020

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Following Actions for Two Annual Street Repair and Resurfacing Projects (19-811-9901): Slurry Seal/Rubber Cape Seal and Asphalt Overlay

- a. Approve the Plans and Specifications for Both Projects;
- b. Authorize the Town Manager to Advertise Both Projects for Bid;
- c. Authorize the Town Manager to Award and Execute Construction Agreements in an Amount not to Exceed \$4,708,000 for the Total Combined Cost of Both Projects, Including Contingencies and Change Orders;
- d. Authorize Staff to Execute Future Change Orders in an Amount not to Exceed Ten Percent of the Contract Award Amount for Both Projects;
- e. Authorize the Town Manager to Execute a Project Cost Sharing Agreement with the City of Monte Sereno for the Slurry Seal of the City's Section of Bicknell Road; and
- f. Authorize Revenue and Expenditure Budget Adjustments in the Street Repair & Resurfacing Project (811-9901) in the amount of \$241,865 for Recognizing Prior Reimbursements and Anticipated Reimbursements and Spending the Received Funds.

RECOMMENDATION:

Authorize the following actions for two Annual Street Repair and Resurfacing projects (19-811-9901): Slurry Seal/Rubber Cape Seal and Asphalt Overlay

- a. Approve the plans and specifications for both projects;
- b. Authorize the Town Manager to advertise both projects for bid;
- c. Authorize the Town Manager to award and execute construction agreements in an amount not to exceed \$4,708,000 for the total combined cost of both projects, including contingencies and change orders;

PREPARED BY: Lisa Petersen
Assistant Director of Parks and Public Works / Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

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RECOMMENDATION (Continued):

- d. Authorize the staff to execute future change orders in an amount not to exceed ten percent of the contract award amount for both projects;
- e. Authorize the Town Manager to execute a project Cost Sharing Agreement with the City of Monte Sereno for the slurry seal of the City's section of Bicknell Road; and
- f. Authorize revenue and expenditure budget adjustments in the Street Repair & Resurfacing project (811-9901) in the amount of \$241,865 for recognizing prior reimbursements and anticipated reimbursements and spending the received funds.

BACKGROUND:

The Town's adopted FY 2019/20 Capital Improvement Program (CIP) Budget designates funding for the Town's Street Repair and Resurfacing Program. This is a recurring annual project for street rehabilitation activities throughout the Town to enhance safety for all travel modes and maintain the roadway infrastructure in Los Gatos. It is important for the Town to complete the annual street maintenance projects each year to prevent Town streets from falling into more expensive repair categories.

At the Town Council meeting on October 15, 2019, the Council approved the street list for the proposed Slurry Seal/Rubber Cape Seal and Asphalt Overlay projects, and authorized staff to move forward with the design and bring the plans and specifications for the projects back to Council prior to bidding. The plans and specifications for these projects have been completed and are available for review on the PPW capital improvement webpage at www.losgatosca.gov/108/Capital-Improvement-Program.

DISCUSSION:

Two separate projects are proposed for construction in the summer of 2020 utilizing the Town's street maintenance project budget. One project focuses on asphalt overlays and the other project on slurry seals/rubber cape seals. The projects are separated because these street treatments use different types of contractors. Separating the projects saves the Town money by preventing cost markups which occur when the main contractor needs to hire another type of contractor (subcontractor) to complete their portion of the work.

Asphalt Overlay Project

The Council previously approved streets for the asphalt overlay project, which included two streets approved by the Council for funding under Senate Bill 1 and one additional street.

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DISCUSSION (continued):

These streets are:

- Knowles Avenue from Dardanelli to Dell (SB1 Funding)
- Pollard Avenue from Knowles to West Parr (SB1 Funding)
- Industrial Way from Andrews to Blossom Hill Road

Following further development of the project costs, staff determined additional project funds were available to allow more street sections to be added to the Town's asphalt overlay project. Based on a review of Streetsaver and an engineering review of the Town's arterial street network needs, staff added a section of Blossom Hill Road to the project between Hillbrook Drive and Francis Oaks Way. Additionally, a small section of Knowles was moved to the Slurry Seal/Rubber Cape Seal project following an engineering review that determined a surface seal was appropriate for the section of roadway.

Slurry Seal/Rubber Cape Seal Project

This year's annual street maintenance project also provides a heavier focus on preventive maintenance through slurry seals. The Council previously approved 84 street sections to receive slurry seal treatment. The slurry seal keeps streets that are currently in good condition from falling into more costly repair categories, aligning with extensive pavement analysis that shows it costs less to maintain roads that are in good condition than those in worse condition categories. Along with the 84 sections that will receive slurry seal, the Council also approved placing a rubber cape seal on University Avenue from Main Street to Blossom Hill Road.

In addition to the previous Council approved street sections that will be part of the Slurry Seal/Rubber Cape Seal project base bid, several additive alternate bid items have been included in the project to allow for flexibility to either add streets or remove streets should bids come in either lower or higher than the projected engineer's estimate for the project. This will allow the Town to repair as many streets as feasible under the available street maintenance budget. The additive alternates allow the Town to maximize the use of the current budget and receive better pricing on any added streets due to the large quantity of street work that is being bid.

The streets included in the additive alternate bid items were chosen based on data from Streetsaver, trying to address streets that are dropping into worse condition categories, and resurfacing streets in the immediate vicinity of streets already programmed. The list of base bid streets, additive alternate streets and treatments for this year's street maintenance projects are provided in Attachment 1.

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DISCUSSION (continued):

Incorporating Bicycle and Pedestrian Master Plan Improvements

Similar to past year's projects, this year's street maintenance projects include new bicycle improvements following the new resurfacing through readjustment of the striping. This year's projects would provide new class II bike lanes, buffered bike lanes, and green bike lanes at intersections at various locations on Pollard Road, Knowles Avenue and Blossom Hill Road. Additionally, bike sharrow (share the road) symbols will be placed on University Avenue.

Replacing striping is a necessary part of a resurfacing project. Readjustment of the striping to accommodate recommendations from the Town's Bicycle and Pedestrian Master Plan into the resurfacing projects is an efficient method of adding these changes with minimal cost to the projects.

Engineer's Estimate for the Asphalt Overlay and Slurry Seal/Rubber Cape Seal Projects

The Engineer's Estimate for the base bid and additive alternate costs for both the Asphalt Overlay and Slurry Seal/Rubber Cape Seal projects is \$4,708,000 including a 10% contingency and project delivery costs. A total of \$177,000 will be reimbursed to the Town from utility companies for raising their facilities to grade and from the City of Monte Sereno for slurry sealing their portion of Bicknell Road. Including these reimbursements, the Town's estimated cost for the project is within the current budget. A breakdown of the costs per project is included in the Fiscal Impact section of this report.

Town's Overall Pavement Condition Index (PCI)

As discussed in the November 15, 2019 Manager's Weekly Memorandum, the Town's overall pavement condition has increased in the past year to 70, which is considered in the "Good" condition category. The addition of this year's large street maintenance project will continue to move the Town towards the 5-year forecasted PCI level of 72 as projected by Streetsaver, the Town's pavement maintenance program. This information is available in the QES Budget Options Report (BOR) received by the Town in March of 2019.

By projecting the PCI over a five-year period, Streetsaver accounts for year-to-year variations resulting from the program projections versus actual engineering analysis and visual inspections of the roadway needs.

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CONCLUSION:

Approval of the recommendations allows the Town's street maintenance projects to move forward for bidding and award. It is important for the Town to complete their annual street maintenance projects each year to prevent Town streets from falling into more expensive repair categories.

ALTERNATIVES:

The Town Council could choose to remove the streets added since the Council's approval of the street maintenance street list on October 15, 2019. This is not recommended because an engineering analysis has been performed on these streets that determined it would be beneficial to include them in the projects. Additionally, most of the added streets are included in additive alternate bid items that will only be awarded should the Town receive low bids on the project, allowing the Town to maximizing the use of the current budget to fix additional streets.

COORDINATION:

This project has been coordinated with the Finance Department.

FISCAL IMPACT:

The fiscal table below represents balances in GFAR and Gas Tax, in addition to prior reimbursements from the 2019 Street Repair & Resurfacing project that have not been recognized. The anticipated reimbursements are reflected as both a source and use in the table on the following page.

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FISCAL IMPACT (continued):

Street Repair & Resurfacing Project 811-9901		
	Budget	Costs
GFAR	\$ 3,616,536	
Gas Tax	\$ 1,031,288	
Prior Reimbursements	\$ 64,865	
Anticipated Reimbursement - Monte Sereno	\$ 47,000	
Anticipated Reimbursement - WVSD & SJW	\$ 130,000	
Total Budget	\$ 4,987,558	
Asphalt Overlay Project		\$ 1,906,000
Add. Alt. 1 (WVSD, SJW)		\$ 50,000
Slurry Seal/Rubber Cape Seal Project		\$ 1,891,000
Add. Alt.1 (Kennedy Rd.)		\$ 135,000
Add. Alt.2 (Cerro Vista, Santa Rosa)		\$ 159,000
Add. Alt.3 (Alexander, Bachman, etc.)		\$ 59,000
Add. Alt.4 (WVSD)		\$ 61,000
Add. Alt.5 (SJW)		\$ 19,000
10% Contingency		\$ 428,000
Consultant Costs		\$ 80,000
Contract Inspection		\$ 50,000
Total Expenditures		\$ 4,838,000
Remaining Balance		\$ 51,689

Staff Costs		
Operating Budget (Full time with benefits)		\$ 292,000
Total		\$ 292,000

Staff costs are tracked for all projects. Tracking of staff costs allows for accountability in the costs of projects, recovery of costs from grant funded projects, and identification of future staffing needs. This project utilizes full-time budgeted staff which are accounted for in the Department's operating budget and therefore will not be charged to this project.

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ENVIRONMENTAL ASSESSMENT:

This is a project as defined under CEQA and is Categorically Exempt [Section 15301(c) Existing streets, sidewalks, trails and similar facilities]. A Notice of Exemption has been filed.

Attachments:

1. Resurfacing Street List
2. Monte Sereno Cost Sharing Agreement