



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/19/2026

ITEM NO: 6

DATE: May 19, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute a Construction Contract with O’Grady Paving Inc. in the Amount of \$2,144,229.70 for the 2026 Street Repair and Resurfacing Project with Authority to Approve Construction Change Orders in an Amount Not to Exceed \$214,422.97 (10% contingency); Authorize the Town Manager to Execute an Agreement for Professional Services with Ninyo and Moore for Materials Testing Services for a Total Agreement in an Amount Not to Exceed \$27,290.00; Approve the Project Construction Plans and Specifications per Government Code 830.6 (Design Immunity); and Find the Project Categorically Exempt under Section 15301(c) of the California Environmental Quality Act.**

RECOMMENDATION: Staff recommends that the Town Council take the following actions regarding the 2026 Street Repair and Resurfacing Project (4818155, CIP No. 811-9901):

- a. Authorize the Town Manager to execute a Construction Contract with O’Grady Paving Inc. in the amount of \$2,144,229.70, with authority to approve construction change orders in an amount not to exceed \$214,422.97 (10% contingency);
- b. Authorize the Town Manager to execute an Agreement for Professional Services with Ninyo and Moore for Materials Testing Services for a total agreement in an amount not to exceed \$27,290.00;
- c. Approve the project construction plans and specifications per Government Code 830.6 (Design Immunity);
- d. Find the project Categorically Exempt under Section 15301(c) of the California Environmental Quality Act.

PREPARED BY: Gary Heap
Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

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SUBJECT: Authorize The Town Manager to Execute an Agreement with O'Grady Paving Inc. for Construction on the 2026 Street Repair and Resurfacing Project (CIP No. 811-9901)

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FISCAL IMPACT:

The adopted 2025-26 Capital Improvement Program Budget includes funding for the 2026 Street Repair and Resurfacing Project. Sufficient funding is available to support the recommended actions associated with the Street Repair and Resurfacing Project, Project No. 4818155, CIP No. 811-9901, and no additional appropriation is required. A project fiscal summary table is included in the Discussion section of this report.

STRATEGIC PRIORITY:

This project supports the strategic priority to implement transportation demand management and traffic calming efforts to mitigate traffic congestion where possible, while ensuring safety for all users and making bicycle and pedestrian improvements. It also supports the core goal of Quality Public Infrastructure.

BACKGROUND:

The Town of Los Gatos has 112 centerline miles of streets. In 2025, the Town partnered with the Metropolitan Transportation Commission (MTC) to conduct a town wide visual street inspection as part of the Pavement Management Assistance Program (P-TAP 25). Inspectors assigned scores to each street and enter the results into a pavement management software program. The software models future street conditions based on budget scenarios. The projections help local jurisdictions make informed funding decisions regarding paving needs and funding. The pavement assessment scored the Pavement Condition Index (PCI) at 82, placing the Town's Street network in the 'Good' condition.

The goal of this annually funded project is to enhance safety for all travel modes and maintain roadway infrastructure and sustain the PCI at acceptable levels. It is important for the Town to perform annual street maintenance projects to improve the Town's roadways and prevent street pavement from deteriorating to more extensive and costly repair conditions. This year's project focuses on repair through milling and placing new hot mix asphalt overlay or resurfacing with micro-surfacing or rubber cape seal.

DISCUSSION:

The 2026 Street Repair and Resurfacing Project was advertised for bid on Friday, March 27, 2026. On April 15, 2026, bid packages were opened with seven contractors submitting bids. A summary of bid results is presented in Table 1, with O'Grady Paving Inc. as the apparent low bidder based on their base bid total. A detailed list of the bid summary is in Attachment 2.

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Table 1. Bid Results for the 2026 Street Repair and Resurfacing Project (CIP No. 811-9901)

Contractor	Base Bid	Additive Alternate 1	Total
<i>Engineer’s Estimate</i>	\$2,573,000.00	\$130,000.00	\$2,703,000.00
O’Grady Paving Inc.	\$1,885,860.70	\$258,369.00	\$2,144,229.70
G. Bortolotto & Company, Inc.	\$1,936,130.50	\$216,037.00	\$2,152,167.50
MCK Services, Inc.	\$1,950,276.50	\$235,685.50	\$2,185,962.00
Radius Earthwork Inc.	\$2,147,665.45	\$263,650.00	\$2,411,315.45
QA Constructors	\$2,155,715.00	\$202,822.00	\$2,358,537.00
Rapid Services LLC	\$2,172,901.27	\$229,773.10	\$2,402,674.37
Joseph J. Albanese, Inc.	\$2,224,544.50	\$289,365.00	\$2,513,909.50

Staff reviewed the bids received for responsiveness and responsibility. Based on this review, O’Grady Paving Inc. was determined to be the lowest responsive and responsible bidder. The proposed construction contract amount of \$2,144,229.70 for the base bid and additive alternate 1 is within the approved project budget and consistent with the scope of work identified in the construction documents. The bid submitted by O’Grady Paving Inc. is approximately 20% below the Engineer’s Estimate, indicating competitive pricing consistent with current market conditions.

Government Code 830.6 states that neither a public entity nor a public employee is liable under this chapter for an injury caused by the plan or design of a construction of, or an improvement to, public property where such plan or design has been approved in advance of the construction or improvement by the legislative body. Staff requests that the Town Council approve the construction plans for this project. Approval of the plans and specifications will provide design immunity pursuant to Government Code Section 830.6. The project construction plans are provided in Attachment 3.

The Town received proposals for materials testing to support this project. An agreement with Ninyo and Moore (Attachment 4) is proposed based on the quality of their proposal and ability to perform the work successfully. Ninyo and Moore were selected from the Town Council Approved On-Call List for Engineering and Design Services that was established by the Council on February 15, 2024. This on-call list was generated from a formal Request for Qualifications that was issued by Parks and Public Works in September of 2023.

Construction is anticipated to begin in June 2026 and be completed within approximately 80 calendar days. The project includes pavement rehabilitation and associated improvements at multiple locations throughout the Town, as detailed in the construction plans (Attachment 3).

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FY2526 Annual Street Repair and Resurfacing	
CIP Project 811-9901	
4118155, 4118104, 4818155	
Budget	
GFAR	\$ 4,986,897
Gas Tax	\$ 3,357,170
Subtotal	\$ 8,344,067
Expenditures to Date including Encumbrances	
Project Design and Construction	\$ 1,735,801
Subtotal	\$ 1,735,801
Expenditures Recommended with this Staff Report	
Construction Contract - O’Grady	\$ 2,144,230
Services Contract - Ninyo and Moore	\$ 27,290
Subtotal	\$ 2,171,520
Contingency Recommended with this Staff Report	
Construction Contingency - 10%	\$ 214,423
Subtotal	\$ 214,423
Balance	\$ 4,222,323
(carries forward to next annual project)	

CONCLUSION:

Staff recommends the Town Council authorize the Town Manager to execute a public works contract with O’Grady Paving Inc. for the 2026 Street Repair and Resurfacing Project to perform roadway maintenance repairs within the Town; authorize the Town Manager to execute an agreement for professional services with Ninyo and Moore for materials testing services; approve the project construction plans and specifications per Government Code 830.6 (Design Immunity); and find the project categorically exempt under CEQA.

COORDINATION:

This project was coordinated with the Finance Department.

ENVIRONMENTAL ASSESSMENT:

This is a project defined under CEQA as being Categorical Exempt pursuant to CEQA Guidelines Section 15301(c). A Notice of Exemption has been filed.

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Attachments:

1. Construction Agreement
2. Bid Summary
3. Construction Plans and Specifications
4. Agreement for Material Testing Services