



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 2/21/2023

ITEM NO: 11

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**DATE:** February 6, 2023  
**TO:** Mayor and Town Council  
**FROM:** Laurel Prevetti, Town Manager  
**SUBJECT:** Authorize the Town Manager to Execute a Certificate of Acceptance and Notice of Completion for the Fiscal Year 2021/22 Street Repair and Resurfacing Project (CIP No. 811-9901), Completed by Pavement Coatings, and Authorize the Town Clerk to File for Recordation

**RECOMMENDATION:**

Authorize the Town Manager to execute a Certificate of Acceptance and Notice of Completion for the Fiscal Year (FY) 2021/22 Street Repair and Resurfacing Project (CIP No. 811-9901), completed by Pavement Coatings, and authorize the Town Clerk to file for recordation.

**BACKGROUND:**

The Town's FY 2021/22 Street Repair and Resurfacing Project focused on preventive maintenance through rubber cape seal, slurry seal, and crack seal treatments.

On February 15, 2022, the Town Council approved the plans and specifications for the FY 2021/22 Street Project, approved advertising the project for bid, and authorized the Town Manager to award a construction contract in an amount not to exceed \$2,981,000, including contingencies.

On March 15, the Town received bids ranging from \$2,292,624 to \$2,468,000 for the project. The lowest responsible bid of \$2,292,624.00 was received from Pavement Coatings, and a construction contract was awarded for the amount. On March 16, Council authorized the project contingency to be increased from ten percent to 30 percent of the contract award amount to allow for additional street repair and resurfacing work to be completed utilizing the low unit bid prices received from Pavement Coatings.

**PREPARED BY:** James Watson  
Interim Town Engineer

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

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DISCUSSION:

The construction project started in July 2022. Pavement Coatings has since satisfactorily completed all contracted work items, including work on additional streets, for a final contract amount of \$2,273,850.40. Staff recommends acceptance of the project.

Five percent of the faithful performance bonds will remain in effect for a period of two years as a guarantee for any needed repair or replacement caused by defective materials and/or workmanship for the project. The execution and recordation of the Certificate of Acceptance is now required to finalize the Town's acceptance of the project.

CONCLUSION:

Authorize the Town Manager to execute a Certificate of Acceptance and Notice of Completion for the FY 2021/22 Street Repair and Resurfacing Project (CIP No. 811-9901), completed by Pavement Coatings, and authorize the Town Clerk to file for recordation.

COORDINATION:

This project has been coordinated with the Finance Department and Town Attorney.

FISCAL IMPACT:

The fiscal table below reflects a multi-year project that crosses FY 2020/21 and FY 2021/22. The table reflects the updated project budget and costs accrued to date. There may be additional miscellaneous charges for the final closeout of the project. The project balance carries forward to the next annual Street Project.

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FISCAL IMPACT (continued):

| <b>FY 2021/22 Street Repair and Resurfacing<br/>CIP Project 811-9901</b>   |                     |                     |
|--|---------------------|---------------------|
|  | <b>Budget</b>       | <b>Costs</b>        |
| GFAR FY 2021/22  | \$ 2,471,318        |                     |
| Gas Tax  | \$ 1,676,361        |                     |
| Gas Tax Increase   | \$ 45,844           |                     |
| Reimbursement from San Jose Water Company for Utility Adjustments          | \$ 83,076           |                     |
| Reimbursement from West Valley Sanitation District for Utility Adjustments | \$ 55,545           |                     |
| <b>Total Budget</b>  | <b>\$ 4,332,144</b> |                     |
| Construction   |                     | \$ 2,273,850        |
| Consultation Services  |                     | \$ 25,706           |
| Cost Share - City of Campbell  |                     | \$ 201,851          |
| Other Project Delivery Costs   |                     | \$ 64,943           |
| <b>Total Expenditures</b>  |                     | <b>\$ 2,566,350</b> |
| <b>Remaining Budget Carries Forward to Next Annual Street Project</b>      |                     | <b>\$ 1,765,794</b> |
| <b>Staff Costs</b>   |                     |                     |
| Operating Budget   |                     | \$ 13,500           |
| <b>Total</b>   |                     | <b>\$ 13,500</b>    |

Parks and Public Works staff costs are tracked for all projects. Tracking of staff costs allows for accountability in the costs of the project, recovery of costs for grant funded projects, and identification of future staffing needs. This project utilized both full-time and part-time temporary staff.

ENVIRONMENTAL ASSESSMENT:

This is a project as defined under the California Environmental Quality Act and is Categorically Exempt (Section 15301c). A Notice of Exemption was previously filed.

Attachment:

1. Certificate of Acceptance and Notice of Completion