



Town of Moraga	Agenda Item
O/R/A	10-A

Meeting Date: April 24, 2024

TOWN OF MORAGA

STAFF REPORT

To: Honorable Mayor and Councilmembers

From: Shawn Knapp, Public Works Director/Town Engineer
Yao Miao, Assistant Engineer

Subject: Street Rehabilitation Construction Contract Award (\$5,346,177) to Bay Cities Paving & Grading, Inc. (CIP 23-401 & 24-401)

Recommendation

1. Adopt a resolution awarding a street rehabilitation construction contract to Bay Cities Paving & Grading, Inc. (Bay Cities) of Concord, CA, for the 2023 and 2024 Street Rehabilitation Projects (CIP 23-401 & 24-401) in the amount of \$5,346,177.
2. Authorize the Town Manager to execute the construction contract with Bay Cities.
3. Authorize the Town Engineer to:
 - A. Issue contract change orders for up to \$534,617 (10% of the contract amount) for a total amount not to exceed \$5,880,794 (\$5,346,177 plus \$534,617).
 - B. Issue a balancing Contract Change Order No. 1 to eliminate Alternative A work scope in the amount of \$124,811 from the construction contract for a revised \$5,221,366 construction contract amount (which will result in a total construction amount of \$5,755,983 [\$5,221,366 plus \$534,617]).
 - C. Approve that this action is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and the CEQA Guidelines (14 Cal. Code Regs. 15000 et. seq.) as this project is categorically exempt pursuant to 14 Cal. Code Regs. 15301 (Class 1-Existing Facilities).

Background

The 2023 and 2024 street rehabilitation projects are included as funded projects in the Adopted Fiscal Year (FY) 2023-24 and FY 2024-25 Capital Improvement Program (CIP) Budget and are identified as an important Town Council Goal. The street segments recommended for rehabilitation as part of these projects are listed in Attachment E. The combined project funding allocations are as follows:

Funding Source	Approved Allocation
205 - Gas Tax	\$220,000
210 - Measure J	38,000
211 - Measure J 28C	37,000
212 - Garbage Impact	2,193,000
213 - Measure K	4,349,000
Totals	\$6,837,000

On October 27, 2021, the Town awarded a design contract to Harris and Associates, Inc. (Harris) to develop the Pavement Design Report (PDR) and biddable construction plans for a multi-year approach to rehabilitate all residential streets with a Pavement Condition Index (PCI) of under 50, known as the “Worst-First” pavement management approach.

On March 23, 2022, the results of the PDR were presented to the Town Council. The PDR recommended phasing the rehabilitation work over three construction seasons (2022 through 2024) based on available funding and rising construction costs within the San Francisco Bay Area. Town Council approved Harris’s PDR residential rehabilitation plan for streets with PCI of less than 50. Harris proceeded with more in-depth investigations and the rehabilitation designs for pavement, storm drain, and concrete improvements.

On January 23, 2024, the Town Engineer recommended bidding the 2023 and 2024 street rehabilitation projects (CIP 23-401 & 24-401) as a single project to begin construction in 2024 for anticipated cost savings in both construction and construction management services. Town Council awarded a \$635,000 (\$730,250 with contingency) professional services agreement to Substrate Inc. for construction management, inspection, and material testing services (CM) for one construction phase approach. It is critical to award the project in a timely manner to realize cost savings.

Discussion

Construction Bid Process

The project bid documents were advertised on March 9, 2024, pursuant to Moraga Municipal Code Chapter 3.06 and Public Contract Code Section 22037. Bid documents were posted on the Town’s website, in the East Bay Times newspaper, and in numerous builders’ exchanges. Per the contract bid proposal instructions, the total bid schedule and price is composed of the base bid schedule for all project aspects and Alternative A – Bid Schedule for switching rehabilitation methods from full-depth reclamation (FDR) to 4-inch

mill (grind) and fill (pavement overlay) for Paseo Del Rio and Corte Futuna court. The Engineer's Estimate included in the bidding documents was \$5,354,273.

The Town is legally required to provide a bid protest period, specified as three (3) calendar days following the bid opening. The bid opening date was extended by an addendum, which resulted in the bid protest period occurring on Friday, Saturday, and Sunday, all during non-business days. To provide sufficient time for the bid protest period and for bidders to gather bid proposal information from the Town, the Town Engineer extended the bid protest deadline to April 17, 2024. No formal protests were filed.

The public construction bids opening was held on Thursday, April 11, 2024, and the following six bids were received:

Contractor	Base Bid	Alternative A Bid	Total Bid (Base Bid + Alt-A Bid)	Lowest Bid Ranking (based on Total Bid)
Granite Construction ¹	\$6,342,372.25	-\$35,579.00	\$6,306,793.25	6
Ghilotti Construction Co	6,270,337.95	-37,004.00	6,233,333.95	5
McGuire and Hester	6,242,690.50	-162,748.00	6,079,942.50	4
Ghilotti Bros, Inc	5,799,718.65	-30,165.00	5,769,553.65	3
DeSilva Gates Construction, LLC	5,648,286.00	-72,711.00	5,575,575.00	2
Bay Cities Paving & Grading, Inc. ²	5,221,366.11	+124,811.06	5,346,177.17	1

Bid Analysis

Bay Cities Paving & Grading (Bay Cities) was the apparent lowest bidder based on the Total Bid price (Base Bid and Alt. A Bid) at the bid opening. The Town Engineer's bid proposal analysis determined that Bay Cities is a responsive and responsible bidder. The Bay Cities bid proposal total bid amount is \$5,346,177.17, which is 1.6% greater than the combined CIP 23-401 and 24-401 budgets (\$5,260,000) and is 0.08% higher than the Town Engineer's estimate (\$5,341,765.40). Bay Cities' bid proposal is within one standard deviation from the mean of all six responsive bidders, showing that the bid spread is reasonable, competitive, and reflective of current construction market costs.

Bay Cities listed several references for heavy infrastructure projects, including pavement rehabilitation, FDR, cape seal, mill and fill, CIPP, etc. work. Bay Cities has been in business since 1946 and is a family-owned company headquartered in Concord, California. Recently, Bay Cities has satisfactorily completed several similar projects for the Cities of Oakland, Berkeley, Hayward, Orinda, Martinez, and Pittsburg. Based on an

¹ Granite Construction Co. had 2 mathematical calculation errors in their Bid Proposal which resulted in corrected total bid price of \$6,306,793.25 versus the total bid price as \$6,298,963 read at the bid opening.

² Bay Cities Paving & Grading, Inc. submitted the apparent lowest bid at time of bid opening.

analysis of the bid packages, the Town Engineer recommends finding Bay Cities as the lowest responsive and responsible bidder, and the bid proposal was reasonable and competitive.

By awarding a construction contract to Bay Cities, the Town is accepting the lowest bid, which is in the Town's best financial interest, and follows the purposes of the California Public Contracting Code (PCC). Specifically, no fraud, favoritism, or corruption has occurred, and public funds are being protected.

Bid Alternative Discussion

The total bid price is based on the combined base bid and the bid alternatives prices. As mentioned above, the Alternative A bid schedule was included in the Town's bid package to receive construction costs for implementing a 4-inch mill (grind) and pavement overlay on two (FDR) candidate streets. However, after conducting a cost-benefit analysis of the Bay Cities bid proposal, staff recommend retaining the base bid option for FDR treatments as more advantageous by being longer lasting and more cost-effective.

Construction Contract Award Recommendations

The Town Engineer recommends awarding Bay Cities a \$5,346,177 construction contract based on being the lowest responsible and responsive bidder for the total bid price. Additionally, the Town Engineer recommends \$534,617 (10%) construction contingency. This will increase the total budget to \$5,880,794.

Furthermore, after the contract award, the Town Engineer recommends adopting a balancing change order to eliminate the Bid Alternate A scope of work and the \$124,811 cost from the construction contract for a revised \$5,221,366 construction contract (\$5,346,177 minus \$124,811). The total project budget will be \$5,755,983 (\$5,221,366 plus \$534,617).

Sidewalk Area Repairs

Some repairs to gutters, curbs, sidewalks, and related "sidewalk area" improvements are contemplated as part of the 2023 and 2024 street rehabilitation projects. The Town Council approved the revised Street Rehabilitation Cost Sharing Policy on April 10, 2024, via Resolution No. 19-2024 to allow the Town to pay for sidewalk area repairs that are part of a Town funded street rehabilitation project supported by a variety of local funding sources, including Measure K funds. As discussed in Agenda Item 9A also on the April 24, 2024, Town Council Meeting agenda, private property owners are responsible for the liability and maintenance of sidewalk area repairs (including gutters, curbs, and sidewalks), as per the Moraga Municipal Code (MMC) Title 12 – Streets, Sidewalks, and Public Places. As part of Agenda Item 9A, the Council will be considering the adoption of Ordinance 313-2024 to make revisions to Title 12 to conform to the revised Street Rehabilitation Cost Sharing Policy. This project's construction bid reflects approximately \$695,102 in estimated sidewalk area repairs. The actual repair costs may vary.

If the Town Council does not support the adoption of Ordinance 313-2024, property owners would be responsible for completing and funding the necessary sidewalk area repairs. This would delay the start of the street rehabilitation projects by approximately by several months to allow for the property owners to complete repairs on their own or via the Town's contractor (which will require entering into cost reimbursement agreements).

The immediate construction management cost impact for the two-season construction cycle would in the range of \$92,000 to \$150,000.³ Additionally, the Town would need to negotiate project cost impacts with Bay Cities to expand project scope to a two-season construction season to complete the project. The combined construction, construction management, Town staff, and legal costs for a two-season construction season would equal the Town's avoided sidewalk area repairs to be completed by the property owners.

Storm Drain Improvements

The Town's Street rehabilitation program includes the repairs of storm drains under the streets to increase the pavement's longevity at Ashford Place, Deerfield Drive, and Paseo Grande. The 12-foot diameter corrugated steel creek culvert under Corliss Drive near the intersection of Moraga Road will be handled via the following two-step process: 1) As part of this project, Corliss Drive above and around the culvert will be reconstructed and stabilized; and 2) Environmental permitting long lead times is necessary for the separate culvert repair project that will be initiated to complete this work.

Traffic Striping and Signage Improvements

The Harris' Worst First residential pavement rehabilitation scope, as mentioned above, was the rehabilitation of street pavement, storm drain infrastructure, and concrete improvements. Existing traffic striping and signage was to be replaced in kind, if damaged or missing. Separately, the Town is working on the designs for multiple safety improvement projects where some work limits are overlapping some portions of the Project. These safety improvement projects include:

- Moraga Road Safety Improvement Study (CIP 23-404);
- Highway Safety Improvement Program (CIP 21-410, 23-415, and 23-416);
- Corliss Drive Safe Routes to School (CIP 21-404);
- Annual Street Repairs (21-405).

In order to cost effectively and expedite implementation of new safety improvements and other safety repair work created by the above projects within the Project, staff proposes to issue contract change orders, as funds are available, to enhance the project's traffic

³ For detail construction management cost analysis of one construction season versus two construction seasons costs, see the January 23, 2024, staff report entitled "Award Professional Services Agreement for Construction Management, Inspection and Material Testing Services to Substrate, Inc." available on the Town's Agenda web page.

safety striping and signage. As part of the staff presentation, there will be a discussion about potential safety improvements that could be added to the Project including:

- Proposed Campolindo Drive red curb striping improvements (Attachment F).
- Proposed Corliss Drive at Los Perales Elementary School sidewalk, curb ramp and traffic markings (Attachment G).
- Proposed Corliss Drive at Moraga Road sidewalk, curb ramp and traffic markings (Attachment H).
- Proposed Corliss Drive along the “Outer Curve” interim shoulder striping and signage (Attachment I).

CEQA Compliance

The recommended actions in this report are not subject to review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and CEQA Guidelines (14 Cal. Code Regs. 15000 et. seq.) as this project is categorically exempt pursuant to 14 Cal. Code Regs. 15301 (Class 1-Existing Facilities).

Fiscal Impact

The Adopted FY 2023-24 and FY 2024-25 Capital Improvement Program Budget for the combined 2023 and 2024 street rehabilitation projects (CIP 23-401 & 24-401) contains a total project allocation of \$6,837,000. This includes \$5,260,000 in construction costs and \$526,000 in contingency costs. The projected project cost is as follows:

Project Expenditure Categories	Projected Project Cost
Construction	\$5,221,366
Construction Management	730,250
Contingency (10%)	534,617
Administration	262,000
Totals	\$6,748,233

As a result, there is a potential budget savings of \$88,767 (\$6,837,000 minus \$6,748,233) that would be available to address additional project traffic safety striping and signage, ADA work, and sidewalk deficiencies.

Alternatives

1. Adopt the attached resolution.
2. Adopt the attached resolution with modifications.
3. Do not adopt the attached resolution and provide direction to staff.

Next Steps

- Upon approval, staff will execute the contract right away.
- Pre-construction meetings will start on May 1, 2024.
- Affected property owners and residents within the project limits of construction work will be notified on May 6, 2024.
- Review of contractor project submittals will take place on May 6, 2024.
- Construction is anticipated to start on May 13, 2024.

Attachments

- A.** Draft Resolution 2024 Awarding a Street Rehabilitation Construction Contract (\$5,346,177) to Bay Cities Paving & Grading, Inc. (CIP 23-401 & 24-401)
- B.** 2023 & 2024 Street Rehabilitation Projects (CIP 23-401 & 24-401) Bid Tabulations
- C.** 2023 & 2024 Street Rehabilitation Projects (CIP 23-401 & 24-401) Funding Sheets
- D.** 2023 & 2024 Street Rehabilitation Projects (CIP 23-401 & 24-401) Construction Contract
- E.** 2023 & 2024 Street Rehabilitation Projects (CIP 23-401 & 24-401) Street List
- F.** Proposed Campolindo Drive Traffic Red Curb Striping Improvements
- G.** Proposed Corliss Drive at Los Perales Elementary School Sidewalks, Curb Ramps, and Traffic Marking
- H.** Proposed Corliss Drive Sidewalks, Curb Ramps, and Traffic Markings and Signage at Moraga Road Intersection
- I.** Proposed Interim Corliss Drive Over Curve Shoulder Traffic Striping and Signage

**Report reviewed by: Scott Mitnick, Town Manager
Denise Bazzano, Assistant Town Attorney**