

ACTION CALENDAR  
December 3, 2019

To: Honorable Members of the City Council  
From: Mayor Jesse Arreguín, and Councilmembers Sophie Hahn, Kate Harrison, and Cheryl Davila  
Subject: Considering Multi-year Bidding Processes for Street Paving

RECOMMENDATION

1. Restate the recommendation approved at the December 11, 2018 Council meeting to create a two-year bidding process for street paving to realize savings by (a) reducing by 50% City staff time devoted to bidding and contracting processes over each two year period and (b) benefitting from reduced pricing which may be available for larger contracts that offer greater economies of scale and reduce contractors' bidding and contracting costs.
2. Short-term referral to the City Manager to explore the possibility, feasibility, costs, and benefits of bidding in increments of up to 5 years to encompass entire 5-year paving plans, or other ideas to more rationally and cost-effectively align the paving plan with budget cycles and reduce costs associated with frequent bid cycles for relatively small contracts.

POLICY COMMITTEE RECOMMENDATION

No final action was taken by the Facilities, Infrastructure, Transportation, Environment & Sustainability Committee. Item is automatically returning to the Council agenda pursuant to the 120-day time limit for items referred to policy committees.

BACKGROUND

In November 2011, the City Auditor provided an analysis of the conditions of Berkeley's 216 miles of streets that showed widespread disrepair resulting from years of underfunding. The impact of the many years of underfunding is compounded by the exponential increase in cost to refurbish streets that have reached "at risk" or "failed" status.

The City of Berkeley's existing Street Rehabilitation and Repair Policy requires that a 5-year Street Rehabilitation Plan be reviewed each year and adopted formally by the City Council. After approval, the City releases bids for one year of paving projects, requiring City Staff and contractors to undertake the bidding process on a yearly basis.

At the December 11, 2018 City Council meeting, Council approved combining the 2018 and 2019 paving projects into the 2019 program after the City was unable to secure a cost effective paving contractor for 2018 in an extremely competitive market.

Permanently moving to a bi-annual or other multi-year bid process will reduce staff time spent on preparing, circulating, evaluating and awarding bids, as well as render Berkeley's projects more attractive to contractors in a very competitive market. It is expected that larger contracts result in reduced per-mile costs due to better economies of scale and reduced contractor costs associated with yearly bidding processes.

During the December 2018 discussion, Public Works staff suggested that a two year bid process is not only feasible, but also logical as the City's budget and funding processes span two years. While this proposal is already being considered (having been referred by Council at the December 11, 2018 meeting), it is important for Council to reiterate that accelerating paving overall while reducing costs in all ways possible is a key citywide priority, and to include the consideration of longer multi-year bidding cycles to assess whether additional cost savings and integration into existing budget cycles can be achieved.

#### FINANCIAL IMPLICATIONS

The City is likely to realize long term savings by utilizing two-year or other multi-year bidding processes.

#### ENVIRONMENTAL SUSTAINABILITY

Improved PCI leads to better fuel efficiency and therefore less greenhouse gas emissions from vehicles.

#### CONTACT PERSON

Mayor Jesse Arreguín	510-981-7100
Councilmember Sophie Hahn	510-981-7150

#### Attachments:

1: Annotated Agenda, December 11 2018 Berkeley City Council Meeting, Item 15

## Consent Calendar

13. **Contract: Gallagher & Burk, Inc. for FY 2018 Measure M Street Rehabilitation Project**  
**From: City Manager**  
**Recommendation:** Adopt a Resolution approving plans and specifications for the FY 2018 Measure M Street Rehabilitation Project, Specification No. 18-11179-C (Re-Issued); accepting the bid of Gallagher & Burk, Inc. as the lowest responsive and responsible bidder; and authorizing the City Manager to execute a contract and any amendments, extensions or other change orders until completion of the project in accordance with the approved plans and specifications in an amount not to exceed \$3,863,909.  
**Financial Implications:** Street Capital Improvement Program Fund - \$3,863,909  
Contact: Phillip Harrington, Public Works, 981-6300  
**Action:** Adopted Resolution No. 68,716–N.S.
14. **Letter of Support on Behalf of SB 3342 - Housing, Opportunity, Mobility, and Equity Act of 2018**  
**From: Housing Advisory Commission**  
**Recommendation:** Direct the City Manager to send a letter of support on behalf of proposed SB 3342, referred to as the HOME Act.  
**Financial Implications:** None  
Contact: Amy Davidson, Commission Secretary, 981-5400  
**Action:** Approved recommendation.
15. **Public Works Commission Recommendation for the Five-Year Street Rehabilitation Plan**  
**From: Public Works Commission**  
**Recommendation:** Adopt a Resolution that recommends approval of the Five-Year Street Rehabilitation Plan for FY2019 to FY2023 as proposed by Staff.  
**Financial Implications:** See report  
Contact: Nisha Patel, Commission Secretary, 981-6300  
**Action:** Moved to Action Calendar. 8 speakers. M/S/C (Harrison/Droste) to adopt Resolution No. 68,717–N.S. that recommends approval of the Five-Year Street Rehabilitation Plan for FY2019 to FY2023 as proposed by Staff amended to include Milvia Street from Blake Street to Russell Street in FY2019. Provide direction to staff and request additional information from staff as follows:
- Review the Plan after two years
  - Consult the Transportation Commission on the Plan
  - Provide the Lifecycle analysis and the Bike Plan overlay analysis
  - Consider a two-year bid process
  - Annual report to Council on Measure M projects
  - Report to Council on the funding sources for scheduled and completed paving projects
- Vote:** All Ayes.

