



PUBLIC WORKS DEPARTMENT

CITY HALL
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CITY COUNCIL STAFF REPORT

Date: May 5, 2026

Subject

Award a construction contract for the 2026 Pavement Maintenance Phase 2 Project to Pavement Coatings Company in the amount of \$2,599,235; authorize contract execution and change orders up to \$259,924 (total not to exceed \$2,859,159).

Recommended Action

1. Award a construction contract for the 2026 Pavement Maintenance Phase 2 Project number 2026-102 in the amount of \$2,599,235 to Pavement Coatings Company.
2. Authorize the City Manager to execute the construction contract with Pavement Coatings Company when all conditions have been met.
3. Authorize the Director of Public Works to execute any necessary construction change orders up to a construction contingency amount of \$259,924 (10%) for a total contract amount not to exceed \$2,859,159.

Background

The City of Cupertino performs annual maintenance on its road assets including preventative maintenance and rehabilitation. The 2026 Pavement Maintenance Phase 2 will place preventative maintenance treatments including crack seal, fog seal, slurry seal and rubberized cape seal on 121 street segments.

Reasons for Recommendation

On March 6, the City publicly advertised the Project. The bid documents issued by the City are available at <https://apps.cupertino.org/details/835>. Project streets were selected based upon Pavement Condition Index (PCI) and maintenance history. See Attachment B for the Project street list. A location map is provided as Attachment C.

On April 2, the following two bids were received:

Bidder	Bid Amount
<i>Engineers Estimate</i>	\$2,320,369
Pavement Coatings Company	\$2,599,235
VSS International Inc,	\$2,616,211
American Pavement Systems	\$2,819,251

The Public Works Department reviewed the bids for completeness, responsiveness, and compliance with bid specifications. The apparent low bid received from Pavement Coatings Company was deemed to be the lowest responsive and responsible bid per the Instruction to Bidders and Cupertino Municipal Code Section 3.23.

The contractor, Pavement Coatings Company, has the experience and qualifications to complete the project. Pavement Coatings Company has completed similar projects. Based on the contractor’s experience and performance with other agencies, staff recommends awarding the construction contract (Attachment A) to Pavement Coatings Company for the contract amount of \$2,599,235, and include a 10% construction contingency in the amount of \$259,924 for a total contract amount not to exceed \$2,859,159. Construction contingency allows for unforeseen conditions and is a typical contracting best practice.

A Draft Construction Contract is included as Attachment A. Though proposals exceeded the Engineer’s Estimate for this project, sufficient funds are available to award this contract and re-bidding the project is not likely to result in significant cost savings.

Sustainability Impact

Maintaining and preserving the local streets and roadway system will reduce drive time and traffic congestion, improve bicycle safety, and create a safer and more appealing pedestrian experience. This leads to reduced vehicle emissions, helping the City achieve air quality and greenhouse gas emission reduction goals.

Fiscal Impact

Award of this contract will result in a fiscal impact of up to \$2,859,159, including the base contract and potential contingency. Sufficient funds are budgeted in 270-85-821 900-971 (Capital Outlay SB1 Roads) and 270-85-821 900-921 (Capital Outlay Annual Asphalt Project).

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Project Funding Status	Amount
Capital Outlay Annual Asphalt Project (GL# 270-85-821 900-921) <i>includes \$438,330 of vehicle registration fee revenues received from VTA</i>	\$6,631,379
Capital Outlay SB1 Roads (GL# 270-85-821 900-971)	\$2,143,527
Funding Available for 2026 Pavement Maintenance Program	\$8,774,906

Funding Impact	Amount
2026 Pavement Maintenance Program Phase 1 – Contractor (pending award, separate agenda item 5/5/2026) (GL# 270-85-821 900-921)	-\$2,150,274
2026 Pavement Maintenance Program Phase 2 – Contractor (GL# 270-85-821 900-971) <i>(this item)</i>	-\$2,143,527
2026 Pavement Maintenance Program Phase 2 – Contractor 4/21/2026, (GL# 270-85-821 900-921) <i>(this item)</i>	-\$715,632
Construction Management – Ghirardelli Associates, Service Order #1 (pending award, separate item 5/5/2026) (GL# 270-85-821 900-921)	-\$588,538
Total - Funding Impact	-\$5,597,971

Project Funding Remaining	3,176,935
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City Work Program (CWP) Item/Description

None

Council Goal

Quality of Life, Transportation

California Environmental Quality Act

This project is exempt from CEQA Guidelines 15301(c) (repair and maintenance of existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities).

Prepared by: Jo Anne Johnson, Public Works Project Manager

Reviewed by: Chad Mosley, Director of Public Works

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, City Manager

Attachments:

A – Draft Contract

B – Project Street List

C – Project Location Map