



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
James. R. Helmer

**SUBJECT: TOWERS LANE IMPROVEMENT
PROJECT**

DATE: 03-09-05

Approved

Date

3/15/05

Council Districts: 7
SNI: West Evergreen

RECOMMENDATION

Reports on bids and award of contract for the Towers Lane Improvement Project (north of Aborn Road) to the low bidder, DeSilva Gates Construction, LP, in the amount of \$626,191 and approval of a contingency in the amount of \$94,000.
CEQA: Exempt, PP 02-03-046.

BACKGROUND

Towers Lane is a private dirt road located between Route 101 and King Road north of Aborn Road (see attached map). Existing properties fronting on Towers Lane have relied on this road for access for over 50 years. The owners and current residents have requested that the City improve Towers Lane to public street standards and accept donations of right-of-way to allow the street to become public.

The project will construct the necessary street improvements fronting 15 parcels along Towers Lane. The improvements within the public right-of-way include curbs, gutters, sidewalks, driveway aprons, tree planting, asphalt concrete paving and street lighting. Some minor work will be necessary within the private properties to include modifications to driveways, irrigation systems including sanitary sewer main and laterals, walkways, removing and replacing fences and re-grading of private property frontages to provide the necessary conforms to the street frontage improvements. In addition, overhead utility poles will be relocated to accommodate the improvements.

Bids for this project were opened on July 22, 2004 but because of delays in the donation of land, the project was not awarded. The low bidder to whom this project will be awarded agreed to extend project award approval until March 29, 2005.

The project requires donation of the needed right-of-way along with a temporary 10-foot strip construction easement. Ten of the 11 property owners donated their property. Grant deeds of the donated right-of-way have been recorded. Negotiation is at an impasse with one property owner, and Council is scheduled to hold a need and necessity hearing on March 15, 2005 to acquire the property through eminent domain. An eminent domain suit will be immediately filed following the hearing to obtain an Order of Prejudgment Possession prior to the March 29, 2005 contract award. Following the court order, land will be available for construction between 30 days to 90 days later depending on the court's disposition. Construction is scheduled to begin in June 2005 with substantial completion in December 2005.

ANALYSIS

Bids were opened July 22, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
O'Grady Paving, Inc. (Mountain View)	\$980,103	\$113,310	13
Engineer's Estimate	866,793	-----	-----
Granite Rock Company dba Pavex Construction Division (Redwood City)	695,191	(171,602)	(20)
Granite Construction Company (Watsonville)	662,948	(203,845)	(24)
Wattis Construction Company, Inc (San José)	628,655	(238,138)	(27)
DeSilva Gates Construction LP (Dublin)	626,191	(240,602)	(28)

The low bid submitted by DeSilva Gates Construction, LP. is 28 percent below the Engineer's Estimate. This low bid may be attributed to the diminished activity in the construction industry. Staff reviewed the bid documents and found them to be in order. The Engineer's Estimate and the low bidder's construction costs were analyzed, and the most significant price differential can be found in six areas: Mobilization, Traffic Control, Roadway Excavation, Asphalt Concrete Pavement, Concrete Sidewalk, Driveways and Streetlight System.

Council policy provides for a standard contingency of five percent on public works street and sidewalk projects. However, on this project, a 15 percent contingency is recommended because of the large amount of private property conform work. This project will likely be required to reconstruct irrigation systems, landscaping, driveways, fences, and, potentially, repair of sewer

systems on private property. Funding for this project is sufficient to provide for the recommended contingency.

PUBLIC OUTREACH

Numerous community meetings have been conducted since project inception. Notices were published and mailed to residents and owners for each public meeting. The last community meeting was held last on June 17, 2004. The residents in the area are very supportive of the project. Additionally, to solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Planning, Building and Code Enforcement Department.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$626,191

2. COST OF PROJECT:

Project Development	\$ 60,000
Project Delivery	395,000
PG&E relocation cost	80,000
Right of way clearing construction (Engineer's Estimate)	60,000
Construction	626,191
Real Estate Cost and Escrow & Closing Fees	195,000
Contingency (15%)	<u>94,000</u>
TOTAL PROJECT COSTS	\$1,510,191
Prior Year Expenditures	(317,385)
Remaining Project Costs	\$1,192,806

3. SOURCE OF FUNDING: 001 – General Fund
450 – Services for Redevelopment Capital Projects Fund

4. **FISCAL IMPACT:** This project is consistent with the Council-approved Budget Strategy Economic Recovery sections in that it will spur construction spending in our local economy. Upon completion, this project is expected to have minimal operating and maintenance costs in the General Fund in the amount of approximately \$900 annually, beginning in 2005-2006.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract	2004-2005 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$1,192,806			
Current Funding Available						
001	4243	Towers Lane Improvements	\$1,053,000	\$313,096	Capital V-1061	10/12/04 Ord. No. 27267
450	4845	Towers Lane Improvements	\$420,000	\$313,095	Capital V-1061	N/A
Total Current Funding Available			\$1,473,000	\$626,191		

CEQA

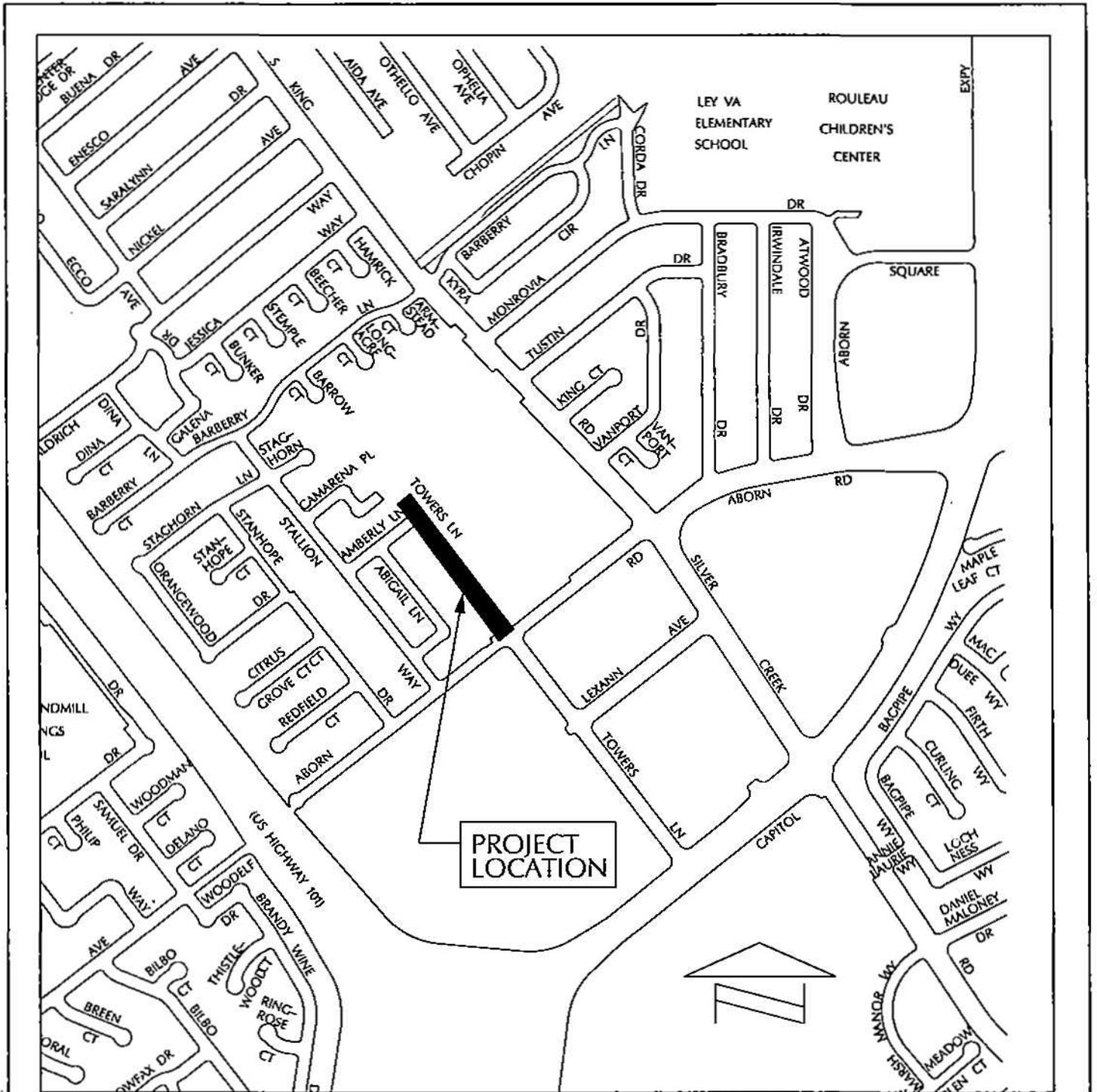
Exempt, PP02-03-046.

Katy Allen

KATY ALLEN
Director, Public Works Department

for James A. Helmer
JAMES R. HELMER
Director of Transportation

HF:PD:ew
(rp030305CM.TowersLane.doc/R&B)
Attachment



LOCATION MAP

NOT TO SCALE