



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

SUBJECT: ITS ENHANCEMENT
COST SHARING AGREEMENTS

DATE: 02-01-10

Approved:

Date:

2/11/10

COUNCIL DISTRICT: 1, 4, 6, 9

RECOMMENDATION

1. Approval of a Cost Sharing Agreement with the City of Santa Clara for the construction of the grant-funded Silicon Valley ITS – Enhancement Project and other improvements, to clarify roles and responsibilities of each party, and to allow Santa Clara to reimburse the City up to a maximum amount of \$460,000 for the cost of the construction.
2. Approval of a Cost Sharing Agreement with the City of Campbell for the construction of the grant-funded Silicon Valley ITS – Enhancement Project and other improvements, to clarify roles and responsibilities of each party, and to allow Campbell to reimburse the City up to a maximum amount of \$40,209 for the cost of the construction.

OUTCOME

Approval of the proposed agreements will allow revisions requested by Santa Clara and Campbell to be incorporated into the construction package.

BACKGROUND

The Department of Transportation (DOT), on behalf of a twelve-agency partnership, manages the design and implementation of the intelligent transportation system (ITS) projects that use technology solutions to enable the delivery of coordinated traffic management services region-wide.

The grant-funded Silicon Valley Smart Corridor ITS Enhancement Project (Project) will expand upon the existing link to traffic management centers of nine local, county and state jurisdictions, enhance real time data and video sharing capabilities among these agencies, and extend video coverage of roadways. When completed, agencies from Fremont in the north to Los Gatos in the south will be able to share resources such as real time traffic volume data, traffic video, and dynamic message signs to effectively manage both day-to-day and incident traffic across jurisdictional boundaries. This grant project focuses on infrastructure improvements along the

Bascom Avenue/Los Gatos Boulevard/East Main Street corridor from Stevens Creek Boulevard at the northern end to SR17 at the southern end.

A total of \$4,533,877 in grant funds was received by the City for the Project. During the design phase, Santa Clara and Campbell requested inclusion of certain additional improvements within their cities which were not within the original scope of the grant. The requested improvements include installation of additional conduit, pull boxes, and fiber optic cable and both cities have agreed to fully fund these improvements.

ANALYSIS

The incorporation of the improvements requested by Santa Clara and Campbell into the Project will improve travel reliability and roadway operational efficiencies along the Bascom Avenue/Los Gatos Boulevard/East Main Street corridor. The inclusion of these additional elements with the grant project will reduce disruption to the roadway and minimize management costs that would otherwise be incurred with multiple projects.

The proposed cost sharing agreements with Santa Clara and Campbell authorize the City to award the installation of additional improvements as “add-ons” to the grant project and will serve as mechanisms for cost reimbursement for the actual construction costs as well as staff costs to design and manage construction of the improvements. The engineer estimates for the additional improvements within the jurisdictions of Santa Clara and Campbell are \$460,000 and \$40,209, respectively. Both Santa Clara and Campbell will be required to reimburse the City for the cost of the additional improvements up to the amount of the engineer estimates. In the event that bids are higher than the engineer estimates for the additional improvements, both cities will have the ability to either reject the bids for the additional improvements or reduce the scope of the additional improvements. These provisions limit fiscal impact to the Project if Santa Clara and Campbell choose not to proceed with the work.

These agreements also define the roles and responsibilities of each party with respect to the grant project and requested improvements, including requirements for providing inspection services, timely review of construction documents, maintenance responsibilities and project acceptance procedures. Construction of the project is scheduled to begin in August 2010 and end in February 2011.

EVALUATION AND FOLLOW-UP

No additional follow up action with Council is expected at this time.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**

- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This project does not meet any of the minimum requirements as defined by the Public Outreach criteria; however, this memorandum will be posted on the City's website for the February 23, 2010 Council agenda.

COORDINATION

These agreements have been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Office of Planning, Building, and Code Enforcement, and the Department of Public Works.

FISCAL/POLICY ALIGNMENT

These agreements are consistent with the Mayor's Expenditure Control Strategy and have a neutral impact on the General Fund. The approval of these agreements will also allow construction of a project that will have a beneficial impact to the economy of Silicon Valley.

COST SUMMARY/IMPLICATIONS

1. TOTAL AMOUNT OF RECOMMENDATION: \$525,096
2. COST OF AGREEMENTS:

| | |
|------------------------------|-----------------|
| <u>Santa Clara Agreement</u> | |
| Construction | \$378,827 |
| Project Design | \$1,200 |
| Management and Inspection | \$49,846 |
| Contingency | <u>\$30,127</u> |
| Total Agreement Costs | \$460,000 |

| | |
|---------------------------|----------------|
| <u>Campbell Agreement</u> | |
| Construction | \$34,964 |
| Contingency | <u>\$5,245</u> |
| Total Agreement Costs | \$40,209 |

3. SOURCE OF FUNDING: 429 – Building and Structure Construction Tax Fund

4. FISCAL IMPACT: The proposed operating and maintenance costs of this project have been reviewed and will have no significant impact on the General Fund operating budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreements recommended as part of this memorandum.

| Fund # | Appn # | Appn. Name | RC # | Total Appn. | Amt. for Contract | 2009-2010 Adopted Capital Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|--------|-------------------|------------|-----------------|-------------------|---------------------------------------|-------------------------------------|
| 429 | 5137 | ITS: Enhancements | 10922 3 | \$2,100,0 00 | \$500,209 | V-941 | 10/20/09; Ord. # 28653 |

CEQA

CEQA: Exempt, PP# 03-06-214.

/s/

HANS F. LARSEN
Acting Director of Transportation

For questions, please contact Lily Lim-Tsao, Transportation Operations Division Manager at (408) 975-3269.