



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 05-02-11

Approved

Date

5/20/11

COUNCIL DISTRICTS: 5 & 8

SNI AREA: Five Wounds/
Brookwood Terrace,
Gateway East,
Mayfair, East Valley/
680 Communities

SUBJECT: FIRST AMENDMENT TO THE AGREEMENT TO PERFORM DESIGN SERVICES FOR THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY FOR THE CAPITOL EXPRESSWAY LIGHT RAIL PEDESTRIAN IMPROVEMENTS PROJECT

RECOMMENDATION

- a) Adoption of a resolution authorizing the Director of Public Works to negotiate and execute the following amendments to the Agreement for Design Services with the Santa Clara Valley Transportation Authority for the Capitol Expressway Light Rail Pedestrian Improvements (CELR) Project:
 - 1) A first amendment to add services, extend the term, and increase compensation in the amount of \$150,000 for a total contract amount not to exceed \$459,225, subject to the appropriation of funds; and
 - 2) A subsequent amendment to adjust reimbursable hourly compensation rates after approval of the 2011-2012 Adopted Operating Budget and total compensation costs are known.

- b) Adoption of the following 2010-2011 Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Excise Tax Fund:
 - 1) Increase the appropriation to the Department of Transportation for the Capitol Expressway Light Rail Pedestrian Improvements project by \$50,000
 - 2) Increase the estimate for Earned Revenue by \$50,000

OUTCOME

Approval of the Recommendations will allow the City to perform design services during construction (DSDC) for traffic signals, street lighting and landscaping associated with the CELR project. Since the City provided design services as part of the VTA's consultant team, the continued involvement of the City on this project will produce a project cost savings and better support the aggressive construction schedule.

BACKGROUND

VTA has developed a project to extend its light rail system along Capitol Expressway from Capitol Avenue to Eastridge Transit Center. Phase I of the project will construct improvements along Capitol Expressway to accommodate pedestrian access and to improve safety. This phase of the project includes new sidewalks, pedestrian lighting and a landscaping buffer between the sidewalk and the roadway for almost the entire length of the corridor. These improvements will also support the subsequent bus rapid transit (BRT) shelters and amenities at Story and Ocala as part of the future Santa Clara-Alum Rock BRT service along Capitol Expressway.

On July 22, 2010, the City Council approved an agreement between the City and the VTA for the City to perform street lighting and landscape design services for Phase I of the project. VTA acknowledged the City's experience and understanding of the design requirements of these elements that will result in a product that would save project costs and support the aggressive design and construction schedule.

In order to reduce operating and maintenance costs, the City designed the project to use energy efficient, LED streetlight fixtures and used drought-tolerant native plants in the landscaping areas. The City successfully integrated these design elements into the overall design package and on March 3, 2011, the VTA awarded the \$7.7 million construction contract to Gordon Ball Construction.

On April 7, 2011, the VTA Board authorized the General Manager to execute an amendment to the agreement with the City of San José for the design services during construction as described above.

ANALYSIS

Prior to awarding the contract, the VTA requested the City's assistance in providing design support during the construction of the project. This work involves reviewing material submittals, responding to contractor inquiries, clarifications, producing design related changes and providing the VTA with project coordination, design and review services for the duration of construction, expected to be complete by July, 2012.

The City submitted a proposal to the VTA to perform design services during construction on a

time and material basis, with a cap held at \$150,000. This approach was taken because the relationship between the City, the County, the VTA and their contractor has yet to be firmly established. For this reason, the level of design support cannot be determined. A contractor familiar with City streetlight and landscaping construction should require minimal assistance in the execution of the work.

The Department of Public Works brings a team of experienced lighting and landscaping designers to work on this project and has the interest and capacity to meet the VTA's aggressive design schedule. Since the City will be responsible for the maintenance of the street lighting and landscaping, having City staff perform the design work during construction will result in a faster turnaround time and project cost savings.

Per the First Amendment to the Agreement for the CELR Project, the City will provide streetlighting and landscape design support for the duration of the construction of the project. The amendment will extend the term of the agreement for a period of three years, ending June 30, 2014 and for a total value not to exceed \$459,225. City staff will be integrated into the project construction team, working alongside and reporting to VTA project managers.

City staff compensation rates are "fully loaded" and include all wages, benefits and overhead necessary to make this agreement 100% cost recovery. Attachment C-1 is the rate sheet for the current agreement and is valid through June 30, 2011. Rates for 2011-2012 are scheduled to be finalized during the month of June after the approval of the 2011-2012 Adopted Operating Budget and total compensation rates are known. This memorandum recommends that the current rates remain in effect until the new rates are determined for 2011-2012 at which time the Director of Public Works will execute an amendment to the agreement adjusting the compensation rates accordingly.

EVALUATION AND FOLLOW-UP

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

POLICY ALTERNATIVES

Alternative # 1: The City Council can elect not to approve the design services during construction amendment.

Pros: None

Cons: This would require the VTA to use consultants or VTA staff to review project submittals, design changes and would also require numerous design reviews by the City.

Reasons for not recommending: This alternative would fail to take advantage of the City's design expertise and capacity, which would increase project costs and create unnecessary delays.

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 item does not meet any of the above criteria. This memorandum will be posted on the City's website for the May 24, 2011 City Council meeting.

COORDINATION

This memorandum and amendment to the agreement have been coordinated with Finance, the Department of Transportation and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in the local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:

- Design Services During Construction Amendment for the Capitol Expressway Light Rail Pedestrian Improvements \$150,000*
- Previously Approved Design Services Agreement \$309,225
- TOTAL** **\$459,225**

* subject to the appropriation of funds

2. SOURCE OF FUNDING: 465 - Construction Excise Tax Fund

3. OPERATING COST: There are no additional operating or maintenance (O&M) costs associated with the recommendations of this memorandum. However, elements associated with the City's future operating and maintenance costs as part of the CELR Pedestrian Improvements Project include new streetlighting and landscaping. Initial estimates of the

annual O&M costs are in the \$35,000 to \$50,000 range and will begin to be incurred in mid-2012. On November 30, 2010, the City Council approved an agreement with the County for the operations and maintenance of streetlighting and landscaping along this stretch of Capitol Expressway, and these operations and maintenance costs were included as part of the 2012-2016 Five-Year Forecast and Revenue Projections for the General Fund and Capital Improvement Program.

BUDGET REFERENCE

The VTA will fully reimburse the City for design services during construction, on a time and materials basis, up to the maximum of \$150,000. The recommended actions in this memorandum will recognize a portion of the funding (\$50,000) from VTA and increase the existing appropriation by \$50,000 for this amendment in the Construction Excise Tax Fund for this project. The remaining portion of the funding (\$100,000) will be brought forward for Council approval as part of a Manager’s Budget Addendum for adjustments in 2011-2012.

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

Fund #	Appn #	RC #	Appn. Name	Total Appn.	Amt. for Agreement	2010-2011 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Funding Available							
465	7263	164393	Capitol Expressway Light Rail Pedestrian Improvements	\$309,225	\$309,225	N/A	6/29/10, Ord. No. 28772
Total Funding Available				\$ 309,225	\$309,225		
Additional Funding Recommended							
465	7263	164393	Capitol Expressway Light Rail Pedestrian Improvements	\$50,000	\$50,000	N/A	6/29/10, Ord. No. 28772
Total Project Funding				\$359,225	\$359,225		

HONORABLE MAYOR AND CITY COUNCIL

05-02-11

Subject: Amendment to Agreement for City design services with the Santa Clara Valley Transportation Authority

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CEQA

CEQA: Not a project, File No. PP10-066(a), Agreements and Contracts

The VTA Board of Directors approved and certified the Downtown East Valley Capitol Expressway Light Rail Project Final Supplemental Environmental Impact Report on August 2, 2007. The recommended Council direction of this memorandum is not a project. Future improvements the City intends to make along the transit corridor would be subject to CEQA and the appropriate level of review would be conducted prior to the City decision to implement any future improvements, as applicable.

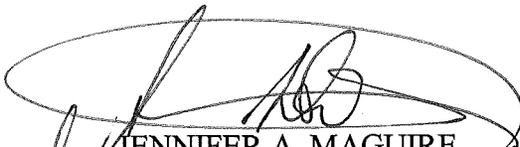


JENNIFER A. MAGUIRE
Budget Director

/s/

DAVID SYKES
Acting Director, Public Works Department

I hereby certify that there will be available for appropriation in the Construction Excise Tax Fund in the Fiscal Year 2010-2011 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$50,000.



JENNIFER A. MAGUIRE
Budget Director

For questions, please contact MICHAEL O'CONNELL, ACTING DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at (408) 535-8300.