



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes
Hans F. Larsen
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: November 7, 2011

Approved

Date

11/15/11

COUNCIL DISTRICT: 3
SNI AREA: University

**SUBJECT: SAN CARLOS STREET MULTIMODAL STREETScape IMPROVEMENT
PROJECT – FEDERAL PROJECT NO. RPSTPLE-5005(101)**

RECOMMENDATION

- a) Adopt a resolution authorizing the Director of Public Works to determine the lowest responsive and responsible bidder for the San Carlos Street Multimodal Streetscape Improvement Project and to either: (i) award the contract to the lowest responsive and responsible bidder in an amount not to exceed \$1,700,000, or (ii) reject all bids and re-bid the Project.
- b) Approve a contingency equal to ten percent of the award amount.
- c) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Building and Structure Construction Tax Fund:
 1. Increase the appropriation to the Department of Transportation for the above mentioned project by \$326,000;
 2. Increase the estimate for Earned Revenue by \$70,000; and
 3. Decrease the Ending Fund Balance by \$256,000.

OUTCOME

Approval of this item will allow the City to award and execute the contract within the timeframes noted on the California Transportation Commission (CTC) award letter. This project will provide enhanced pedestrian accessibility to public transit including Santa Clara Valley Transportation Authority (VTA) light rail and bus system that will link San José State University (SJSU) and Downtown San José and supports the City goal to provide viable transportation

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choices. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion and/or construction of the project.

BACKGROUND

On March 2, 2010, the Council adopted Resolution No. 75295 authorizing the City Manager to execute and submit an application to the Metropolitan Transportation Commission (MTC) for the 2010 Regional Transportation Improvement Program (RTIP) grant, and negotiate and execute all documents necessary to effectuate the grant.

The Metropolitan Transportation Commission (MTC), as the Metropolitan Planning Organization (MPO) for the nine counties of the San Francisco Bay region, provides discretionary federal and state transportation funds such as the Regional Transportation Improvement Program (RTIP) for qualifying programs through the VTA. One such program is the Community Design and Transportation (CDT) Capital Program which is a reimbursable grant program. The CDT Capital Program supports transportation projects that provide connections with transit facilities, employ innovative and high-quality design, improve the pedestrian environment, enhance economic vitality, make better use of the land, infrastructure, and resources, and improve community connectivity, livability, sustainability, and sense-of-place.

Based on these conditions, the City and the San José Redevelopment Agency jointly submitted the San Carlos Multimodal Streetscape Improvement Project (Project) grant proposal for the south side of the street from Second Street to Fourth Street. A map of the project location is attached. The primary goal of the project is to encourage pedestrian mobility by providing accessible connections between transit, bike facilities, businesses, SJSU, housing and downtown. The scope of the project includes narrowing the roadway width, widening the sidewalk, enhanced crosswalks, upgrades of wheelchair ramps to ADA compliance, street level lighting, in-fill street trees, drainage facilities, asphalt & concrete work, traffic signal relocation, site furniture, bus stop enhancements, directional/destination signage and striping. The proposed improvements will create a safer pedestrian route and provide a more pedestrian-friendly environment between public transportation and SJSU. This project is also part of an overall plan to make pedestrian improvements in downtown San José.

ANALYSIS

On June 23, 2011, the California Transportation Commission (CTC) allocated funding in the amount of \$1,500,000 for the construction components of the Project. The CTC requirements related to the grant include the necessity to award the construction contract within six months of the allocation date.

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In addition, the CTC allocation award letter stipulates that a separate request for authorization to proceed (E-76) is required prior to proceeding with any reimbursable work under federally funded grants. On September 8, 2011, the Federal Highway Administration (FHWA) approved the E-76 authorizing work to begin on the subject project.

In order to ensure meeting the deadlines described above, staff is asking Council to delegate authority for the Director of Public Works to award this contract. Delegation would include the authority decide any bid protests in accordance with applicable requirements, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

The specifications for the project will include the following process regarding bid protests:

1. Bid results and a Notice of Intent Regarding Contract Award to the Apparent Low Bidder by the Director of Public Works will be posted on BidSync, the on-line service used by the City for bid notifications and submissions.
2. All bidders will be e-mailed or faxed a copy of the Notice of Intent Regarding Contract Award and will have five working days to file a formal written bid protest.
3. The Director of Public Works will take appropriate action in response to any bid protest.

Council Policy provides for a standard contingency of five percent on public works street projects. However, on this project a contingency of ten percent is recommended due to unknown conditions related to underground work involved in the construction of this project. The funds budgeted for this project are sufficient to provide for the recommended contingency.

Also included in this memorandum is a recommended increase to the San Carlos Street Multimodal Streetscape Improvement Project in the amount of \$326,000. This increase is recommended to cover the costs of project design, Valley Transportation Authority (VTA) and National Environmental Protection Act fees, and construction management. \$256,000 of this increase is not reimbursable from California Transportation Commission (CTC) grant funds, therefore a reduction to the Building and Structure Construction Tax Fund Ending Fund Balance is recommended. The remaining \$70,000, however, is eligible for reimbursement from CTC grant funds; therefore a recommendation to recognize grant funds in the Building and Structure Construction Tax Fund is included in this memorandum.

Bids for this project were opened on November 3, 2011, and are currently under review.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule. No additional follow up action is expected at this time.

POLICY ALTERNATIVES

Alternative #1: Council could elect not to delegate authority to the Director of Public Works.

Pros: The Council would have the opportunity to make a final decision as to the award of the project after the City has received bids.

Cons: The purpose of the delegated authority is to award the project as soon as possible to avoid potential loss of federal grant funding.

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 meets Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. This project was presented to the surrounding community and local businesses on two different occasions for their information and input (August 12, 2010 and February 4, 2011). To solicit contractors, this project was listed on BidSync and advertised in the *San José Mercury News* and *San José Post Record*. This memo will be published on the City's website for the November 29, 2011 Council Agenda.

COORDINATION

This project has been coordinated with the Department of Planning, Building and Code Enforcement, Finance, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Guiding Principles for Budget and Financial Management, Mayor's 2006-2007 Revised June Budget Message, in that it supports Economic Recovery and job creation and is also consistent with initiatives identified in the Economic Development Strategy adopted by Council in November 2003. This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

The project also aligns with the Transportation and Aviation Services CSA outcomes to provide viable transportation choices that promote a strong economy and to provide a transportation system that enhances community livability.

COST IMPLICATIONS

The recommended action will increase the project appropriation by \$326,000 in the Building and Structure Construction Tax Fund in the Traffic Capital Program for consultant services. Of this amount, \$70,000 will be received from the California Transportation Commission (CTC) while \$256,000 will be allocated from the Ending Fund Balance in the Building and Structure Construction Tax Fund.

1. **AMOUNT OF RECOMMENDATION / COST OF PROJECT:**

Project Design (DPW)	\$ 370,400
Project CM (DPW)	264,400
Project Coordination (DOT)	90,000
VTA/NEPA Fees	25,000
Construction (Engineer's Estimate)	1,292,000
Contingency (10%)	<u>129,200</u>
TOTAL PROJECT COST:	\$ 2,171,000
 Prior Year Expenditures	 \$ 479,000
 REMAINING PROJECT COSTS	 \$ 1,692,000

2. **COST ELEMENTS OF CONSTRUCTION CONTRACT**

Adjustments of Utilities	\$ 6,650
Storm Drainage Facilities	113,080
Asphalt Concrete	283,778
Concrete Work	111,025
Traffic Signal Work	345,722
Electrical Work	128,950
Landscape Work	77,810
Miscellaneous Items of Work	<u>224,985</u>
TOTAL CONTRACT AMOUNT	\$ 1,292,000

3. **SOURCE OF FUNDING:** 465 – Construction Excise Tax Fund
429—Building and Structure Construction Tax Fund

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

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BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amount For Contract	2011-2012 Adopted Capital Budget	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$1,692,000				
Current Funding Available							
429	7158	San Carlos Street Multimodal Streetscape Improvement	162805	\$1,366,000	\$1,292,000	V-765	10/18/2011 Ord.28979
Additional Funding Recommended							
429	7158	San Carlos Street Multimodal Streetscape Improvement	162805	\$70,000*	N/A	V-765	V-765
429	7158	San Carlos Street Multimodal Streetscape Improvement	162805	\$256,000*	N/A	V-765	V-765
Total Funding for Remaining Project Costs				\$1,692,000	\$1,292,000		

* The recommended actions in this memorandum will increase the San Carlos Street Multimodal Streetscape Improvement Project by \$326,000. \$70,000 would be reimbursed by the grant while the \$256,000 is non-reimbursable and would be offset by a decrease to the Ending Fund Balance in the Building and Structure Construction Tax Fund. The Ending Fund Balance in the Building and Structure Construction Tax Fund in the 2011-2012 Adopted Budget is \$555,261.

CEQA

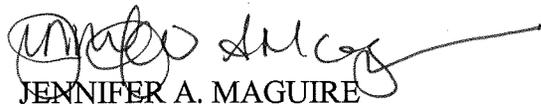
CEQA: PP03-08-254, Re-use of the Downtown Strategy SEIR, Resolution No. 68839.

/s/

DAVID SYKES
Director of Public Works

/s/

HANS F. LARSEN
Director of Transportation


JENNIFER A. MAGUIRE
Budget Director

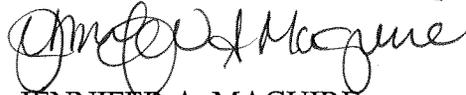
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I hereby certify that there will be available for appropriation in the Building and Structure Construction Tax Fund in the Fiscal Year 2011-2012 moneys in excess of those heretofore appropriated therefrom; said excess being at least \$70,000.

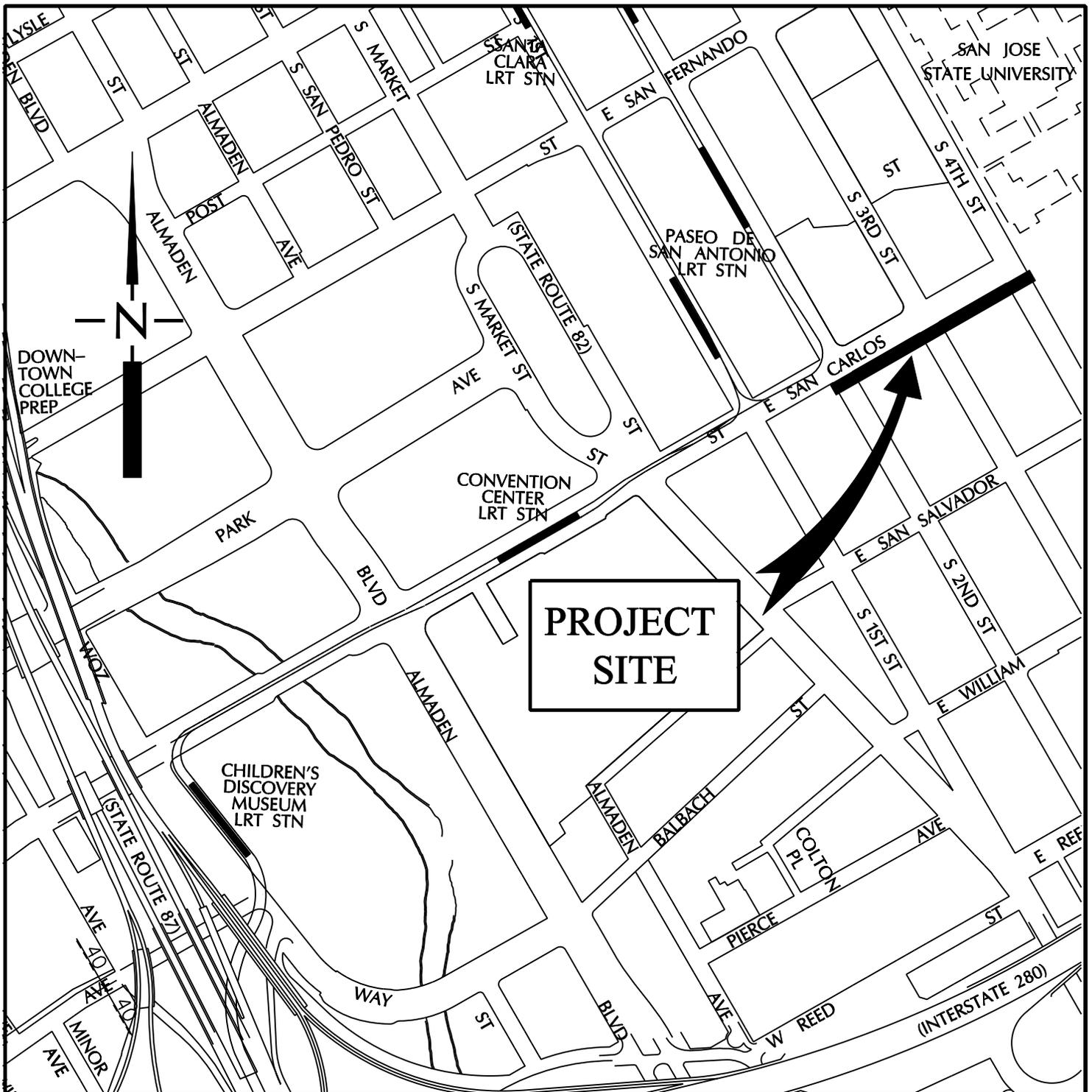


JENNIFER A. MAGUIRE

Budget Director

For questions please contact Michael O'Connell, Acting Deputy Director, Public Works Department, at 408-535-8300.

MO:CM:jt
Attachment



LOCATION MAP

SAN CARLOS MULTIMODAL STREETScape IMPROVEMENTS

(BETWEEN S. SECOND STREET AND S. FOURTH STREET)

NOT TO SCALE