



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: 5583 - MONTAGUE EXPRESSWAY
WIDENING PROJECT **DATE:** July 23, 2012

Approved

Date

7/31/12

COUNCIL DISTRICT: 4

RECOMMENDATION

Report on bids and award of contract for the 5583 - Montague Expressway Widening Project to the low bidder, LH Engineering Co., Inc., in the amount of \$1,757,645 and approval of a contingency amount of \$176,000.

OUTCOME

Award of the construction contract to LH Engineering Co., Inc., will allow the Montague Expressway Widening Project to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion of the project.

BACKGROUND

The North San José Area Development Policy was initially approved on June 21, 2005. The most recent version of the Policy was approved by Council on February 28, 2012. This Policy identifies transportation improvements necessary to support development in North San José and established the North San José Area Traffic Impact Fee to implement the transportation improvements needed to serve the anticipated development outlined in the Policy. One of the improvements identified is the widening of Montague Expressway from six to eight lanes between North First Street and I-880, consistent with the County of Santa Clara Environmental Assessment/Initial Study/Negative Declaration for Montague Expressway Widening prepared by the Santa Clara County Roads and Airport Department.

The Montague Expressway Widening Project is the first segment funded for improvement along Montague Expressway. The project widens the north side of Montague Expressway between Orchard Drive and Zanker Road (map attached), by adding an additional westbound vehicle lane, sidewalk, and street trees, as well as the extension of the left-turn pocket from eastbound

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Montague Expressway to northbound North First Street. The scope of the project also includes modification of the existing traffic signal at North First Street and Montague Expressway. In addition to the transportation improvements associated with the Policy, the project is installing a sanitary sewer main to provide capacity and redundancy to the Montague Sanitary Sewer Pump Station. The sanitary sewer improvements will be funded through the Sanitary Sewer Capital Program.

The City of San José has acquired right of way from two parcels fronting the project along Montague Expressway (3100 North First Street and 3247 Zanker Road). Negotiation for acquisition of additional right of way is underway for the frontage associated with 3101 North First Street. This frontage is not necessary for completion of the construction, but it is necessary to establish the right of way in fee for Montague Expressway. Once completed and accepted, ownership of the project will be transferred to the County of Santa Clara as stipulated by the North San José Area Development Policy.

This project has been extensively coordinated with the County of Santa Clara and the Valley Transportation Authority.

ANALYSIS

Bids were opened on July 28, 2012, with the following results:

Contractor	Bid Amount	Variance Amount	Over/(Under) Percent
Top Grade Construction, Inc. (Livermore)	\$2,051,380		15
O'Grady Paving, Inc. (Mountain View)	\$2,048,143	\$263,250	15
Synergy Project Management, Inc. (San Francisco)	\$1,865,837	\$80,944	5
Engineer's Estimate	\$1,784,893	---	---
LH Engineering Co., Inc. (Anaheim)	\$1,757,645	(\$27,248)	(2)

The bid submitted by LH Engineering Co., Inc. is two percent under the Engineer's Estimate. The bid is considered acceptable for the work included in the project.

Council Policy provides for a standard contingency of ten percent on public works projects involving the construction of roadway improvements. The standard contingency is appropriate for this project.

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EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule. Staff will monitor the impact of this action and communicate any issues to Council through a staff report.

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 meets criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. This project was listed on *BidSync* and was advertised in the *San José Post Record*. This memo will be posted online to the August 14, 2012 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Department of Planning, Building and Code Enforcement, Department of Transportation, the City Manager's Budget Office, 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 our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$1,757,645

Project Delivery	\$995,000*
Property Acquisition	539,225
Construction	1,757,645
Contingency	176,000
City Furnished Work (Striping)	<u>16,595</u>
TOTAL PROJECT COSTS	\$3,484,465
Prior Years Expenditures	\$1,138,091
REMAINING PROJECT COSTS	\$2,346,374

* - Project delivery includes \$645,000 for Planning and Design Services, \$55,000 for Construction Management, \$201,000 for Inspection Services, \$60,000 for Survey Services, and \$34,000 for Laboratory Services, Project Management and support project close-out phases.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Pavement Work	474,425
Concrete Work	103,725
Underground Utility Work	351,215
Traffic Signal and Electrical Work	315,250
Landscape Work	140,580
Miscellaneous Items of Work	<u>372,450</u>
Total	\$1,757,645

3. SOURCE OF FUNDING:

- 465 – Construction Excise Tax Fund
- 545 – Sanitary Sewer Service and Use Charge Fund

4. OPERATING COST: Approval of the recommendation will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2012-2013 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
<u>Remaining Construction Costs</u>				\$1,950,240			
<u>Current Funding Available</u>							
465	6319	Montague Expressway Improvements	153625	\$1,556,000*	\$1,222,600	V-632	6/19/2012 Ord. No. 29102
545	4272	Immediate Replacement & Diversion Projects	171785	\$3,000,000	\$535,045	V-62	6/19/2012 Ord. No. 29102
<u>Total Current Funding Available</u>				\$4,556,000	\$1,757,645		

* - The funds appropriated for this project were rebudgeted from 2011-2012 to 2012-2013 as part of the Adopted Budget process.

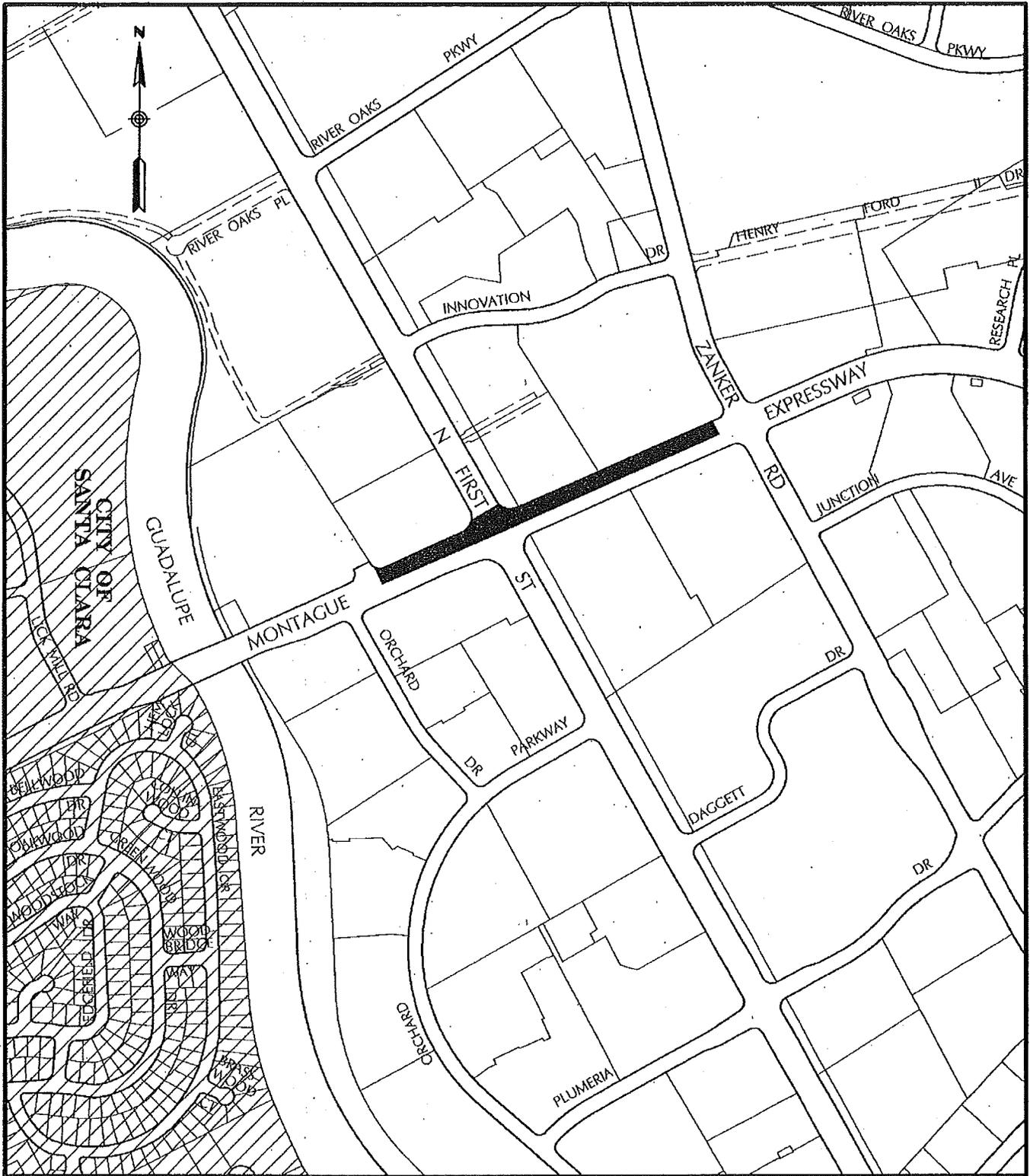
CEQA

Resolution 75696 - Adopted County of Santa Clara Environmental Assessment/Initial Study/Negative Declaration for Montague Expressway Widening dated January 11, 2011.

/s/
 DAVID SYKES
 Director of Public Works

For questions please contact Michael O'Connell, Deputy Director, at (408) 535-8300.

Attachment



MONTAGUE EXPRESSWAY WIDENING PROJECT
(ORCHARD DRIVE TO ZANKER ROAD)

LOCATION MAP
NTS