



City of Sunnyvale

Agenda Item

14-0077

Agenda Date: 1/28/2014

REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Execute the Funding Agreement Between the City of Sunnyvale and the Santa Clara Valley Transportation Authority for 2010 Vehicle Registration Fee Countywide Program, Increase the Hendy Avenue Complete Street Improvements Construction Contract Contingency by \$450,000, Increase the Contingency for the Consultant Services Agreement Between the City of Sunnyvale and Bellecci & Associates, Inc. for the Design and Construction Support Services for Hendy Avenue Complete Street Project by \$22,000, and Adopt a Finding of Categorical Exemption per CEQA Guidelines 15330 (b)(5)

BACKGROUND

On June 25, 2013, Council awarded a construction contract in the amount of \$2,147,400 to O'Grady Paving, Inc. for construction of the Hendy Avenue Complete Street Improvements Project. Hendy Avenue will be completely reconstructed between Sunnyvale Avenue and the Fair Oaks Bridge, and new curbs, gutters, bike lanes, on-street parking, streetlights, street drainage, street trees, and sidewalk will be installed along the north side.

Soil Disposal

During the pre-construction meeting, a concern of possible contaminated soils arose due to the proximity of the Northrup-Grumman industrial site directly adjacent to the project. Subsequently, City staff engaged the services of Erler and Kalinowski, Inc. to perform soil testing and analysis. The testing results indicated the material was not hazardous, but exceeded the residential contamination screening levels and therefore must be disposed of at a landfill or other location accepting the soil constituents. This additional work was not included with the original construction contract and did not qualify for payment from the Federal grant monies obtained for this project.

City staff contacted the Santa Clara Valley Transportation Authority (VTA) to inquire about sources of funding which could be used to pay for the additional costs to the project as a result of the soil contamination. The VTA identified the 2010 Measure B Vehicle Registration Fee (VRF) funds as an eligible funding source. On September 5, 2013, the VTA Board approved up to \$400,000 of VRF fees to be utilized for the Hendy Avenue Complete Street Improvements Project and forwarded the City their standard funding agreement for execution.

Water Main

The city-owned underground utilities were reviewed as part of the design of the streetscape project, and it was determined that no action on the utilities was necessary except for reconstruction at conflict points between the existing water main and the new storm sewer lateral crossings. However, during the contractor's potholing operations, it was noted that the water main and associated valving was very old and in potentially poor condition, as evidenced by non-functioning water valves. Due to the risk of causing a pipe rupture via vibration during street paving operations, it was decided that

replacing the aging water main prior to the street being repaved would be prudent.

A hydraulic modeling analysis was then performed. The results indicated that the existing 8-inch and 12-inch parallel water mains could be eliminated and replaced with one single 12-inch water main, while still maintaining the necessary fire flows and pressures.

DISCUSSION

Construction activity for the Hendy Avenue Complete Street Improvements Project was temporarily suspended to allow time for the soil investigation/testing, allow the contractor time to determine a suitable soil disposal site, and determine whether the water main would be replaced. During this period, Pacific Gas and Electric (PG&E) crews relocated their overhead utility poles which were in conflict with the newly designed street configuration.

Soil Disposal

Although the soil is not at a hazardous contamination level, the amount of contamination is enough that additional controls and costs will be required to transport the soil to a location that will accept the contaminated soil. This activity will cause additional costs to the project surpassing the available construction contract contingency. These costs consist of: increased trucking fees, increased soil disposal costs, development of a health and safety plan, additional coordination efforts, and development of a different pavement structural section to expedite construction and reduce soil off haul.

Efforts are underway to analyze options for alternative pavement sections which would require less soil to be removed from the site. Because the final cost for soil disposal has not yet been determined, an additional appropriation into the project's construction contract contingency for soil disposal may be needed.

The funding agreement must to be executed in order to draw down upon the grant awarded funds from the VTA. The agreement places a ceiling of \$400,000 of VRF funds to be utilized for the Hendy Avenue Complete Street Improvements Project for soil contamination and disposal work. Project costs incurred after September 5, 2013 (the VTA Board meeting date) are eligible.

Water Main

It is estimated that the cost for additional design services from Bellecci & Associates, the design engineer for the streetscape project, will be approximately \$22,000. This amount would cover design of the new 12" water main, any unanticipated design costs, and increase the construction support services.

Construction of the new 12" water main is anticipated to cost approximately \$450,000 which includes a small contingency amount. Anticipated costs have been developed utilizing recent bid results for construction of similar sized water lines in the City. Funding for this water main work will come from the City-wide Water Line Replacement Project in the Water Supply and Distribution Fund. Staff will negotiate with O'Grady Paving to perform the construction of the new water line. Should the change order negotiations with O'Grady Paving exceed the allotted water line construction budget of \$450,000, the streetscape project will proceed absent the new water line.

EXISTING POLICY

Council Policy 7.1.5 Donations, Contributions and Sponsorships:

The City Manager may apply for grants of any dollar amount, but shall notify the Council when grants are being pursued. Council approval of a budget modification to appropriate grant monies is required before funds can be expended by staff. Such a budget modification shall include the use to which the grant would be placed; the objectives or goals of the City which will be achieved through use of the grant; the local match required, if any, plus the source of the local match; any increased cost to be locally funded upon termination of the grant; and the ability of the City to administer the grant.

This grant is over the threshold of \$5,000 to be administratively appropriated by the City Manager; therefore Council authorization is required. Grant funds from VTA have external reporting requirements and fall under the federal single audit guidelines.

The following general plan policy is also applicable to this project.

General Plan (Water) Policies:

Policy EM-3.2: Maintain a long range infrastructure plan that identifies schedules and funds and implements needed system upgrades and replacements before facilities exceed their effective useful lives.

FISCAL IMPACT

Grant Requirements

The VRF funding does not require a local match, and has a termination date of two years after the agreement execution date. The project is anticipated to be completed by Fall 2014, well ahead of the funding termination date.

As mentioned earlier in the discussion, if it is necessary to draw on the VRF funds from the VTA for the soil disposal, staff will return to Council for the appropriate budget modification at that time.

The existing construction contract with O'Grady Paving is primarily funded through the Federal Congestion Mitigation and Air Quality (CMAQ) grant, with matching funds being provided from the Transportation Mitigation Sub-Fund, reimbursement from Northrup-Grumman, and the Wastewater Management Fund (for storm drainage improvements).

Costs for the water line design and construction will be funded from the City-wide Water Line Replacement Project in the Water Supply and Distribution Fund.

ENVIRONMENTAL REVIEW

The City Council previously made a finding that the Hendy Avenue Complete Street Improvements project is exempt per CEQA Guidelines Section 15301(c), Existing Facilities. In addition, the project qualifies for Categorical Exemption per CEQA Guidelines Section 15330(b)(5), Minor Actions to Prevent, Minimize, Stabilize, Mitigate or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substances.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1. Authorize the City Manager to Execute the Funding Agreement Between the City of Sunnyvale and the Santa Clara Valley Transportation Authority for 2010 Vehicle Registration Fee Countywide Program,
2. Increase the Hendy Avenue Complete Street Improvements Construction Contract Contingency by \$450,000,
3. Increase the contingency for the Consultant Services Agreement Between the City of Sunnyvale and Bellecci & Associates, Inc. for the Design and Construction Support Services for Hendy Avenue Complete Street Project by \$22,000, and
4. Adopt a Finding of Categorical Exemption per CEQA Guidelines 15330 (b)(5).

Prepared by: Jennifer Ng, Senior Civil Engineer

Reviewed by: Kent Steffens, Director, Public Works

Approved by: Robert A. Walker, Interim City Manager

ATTACHMENTS

1. Funding Agreement Between the City of Sunnyvale and the Santa Clara Valley Transportation Authority for 2010 Measure B Vehicle Registration Fee Countywide Program