

RESPONSE TO COUNCIL QUESTIONS RE: 1/31/17 AGENDA

Agenda Item #1.B. 16-1041

Title: Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

Council Question: On the payment for \$368,908.75 to Precision Engineering Inc., please describe the nature of the payment and the work performed by the vendor. Further, please describe the internal financial control processes in place to ensure the payment was duly authorized and properly accounted for.

Staff Response: On August 23, 2016, City Council awarded a construction contract in the amount of \$1,862,072 to Precision Engineering (PE) for the Sanitary Sewer Main Replacement Phase 3 project. This payment was made to (PE) for construction work performed through the month of December 2016 which included potholing, traffic control, removing and replacing 6 inch and 8 inch sewer lines and manholes. Construction Progress Payments like these are paid based upon the bid amounts received during the bid opening. Each month the contractor and the City review all the progress that has been completed and the contractor generates a pay letter application according to the construction contract's payment schedule. The City's construction inspector and construction manager for this project receive and review the payment request and ensure that it aligns with the work performed and the contract. After any discrepancies are resolved it is reviewed again and ultimately approved by the Department of Public Works in accordance with established approval levels and sent to Finance for payment. Budgetary control is set by Council.

Agenda Item #1.C. 16-1135

Title: Award of Contract for the Energy-Efficient Light Emitting Diode (LED) Streetlight Conversion 2016 Project (F16-115)

Council Question: Exhibit B (Utilization of Local Workforce in Construction Projects) appears to be driven by Council Policy 5.1.5, which was adopted in May 2015.

- (a) Based on Staff's prior experience with this vendor (if any), what does Staff expect the vendor to state as its Projected Number and Percent of Locally Hired Workers?

Staff Response: In accordance with Council Policy 5.1.5, as a means of supporting economic opportunities for all members of the community, the City's policy **encourages** local developers and contractors working on construction projects within the City to utilize local workforces to the extent possible. As part of contract development, the lowest responsive and responsible bidder must provide a projection of locally-hired workers at the time of contract signing. Tracking of the submitted information is not a requirement of Council directive and staff does not have any experience with this vendor capacity to conduct such reviews.

- (b) At what threshold point, if any, would a vendor's projected number or percent of locally hired workers be so low as to cause Staff to take action towards finding a different vendor?

Staff Response: The policy only encourages the use of locally hired workers and does not have any minimum requirements or thresholds that a contractor or vendor is required to meet.

- (c) To Staff's recollection, has any vendor "failed" Council Policy 5.1.5 and thereby caused Staff to take action towards finding a different vendor?

Staff Response: The policy only encourages the use of locally hired workers and does not have any minimum requirements or thresholds that a contractor or vendor is required to meet. At the time of that Council direction, resources did not include this level of due diligence.

Agenda Item #1.D. 17-0046

Title: Award of Bid No. PW17-08 for Annual Slurry Seal 2017 and Finding of CEQA Categorical Exemption

Council Question: Based on Staff's prior experience with this vendor (if any), what does Staff expect the vendor to state as its Projected Number and Percent of Locally Hired Workers?

Staff Response: Staff does not track the number or percent of locally hired workers by vendor or contractor, nor has the available resources to complete such task.

Agenda Item #1.F. 17-0055

Title: Award of Contract for the Preparation of a Caltrain Grade Separation Study at Mary and Sunnyvale Avenues (F17-001) and Approval of Budget Modification No. 29 in the Amount of \$229,794 (2016 Council Study Issue)

Council Question: Budget numbers in text seem to not quite add up. \$500K was budgeted. Would you describe the steps to arrive at the budget adjustment of \$229,794?

Staff Response: The original \$500,000 budgeted was based on staff's estimate of the expected cost of the work during the Study Issue process, however it required additional funding. The adjustment of \$229,794 includes the original scope (Base Services), an optional task (Video Simulation Scenarios) that was not originally anticipated, and a contingency of 10%. Calculations are provided below:

	Cost	Contingency (10% * Cost)	Cost + Contingency	Adjustment (- \$500,000)
Base Services	\$556,357	\$55,636	\$611,993	\$111,993
Optional Tasks	\$107,092	\$10,709	\$117,801	-
Base + Optional	\$663,449	\$66,345	\$729,794	\$229,794

The Optional tasks allow for improved visualization of potential project implications, which may be important particularly in the downtown (Sunnyvale Avenue), and might be needed for the Community and Council process. The Base Services includes 3-D aerial "birds-eye" visual simulation, but if additional visuals are required, the optional 3-D Simulation Model would provide additional details.

Council Question: Several questions about the Scope of Work are below:

- (a) Under Task 4, what does "Unit prices will be based on the magnitude of quantities" mean? The City seems to be contracting for 5 budget analyses. What relevance would unit pricing have?

Staff Response: The consultant will estimate construction costs for the project alternatives. Cost estimates include the aggregation of costs for individual elements of the project based on their quantity. The Unit refers to each individual construction/material element (e.g. square feet of retaining wall, square feet of pavement, new signals) that will go into the total grade separation project. A price or cost is assigned to each Unit.

(b) Under Task 5, would it be possible to get public input about the models used and about the baseline hours? Input might reveal that 7-9 AM and 4-6 PM would be better shifted to 8-10 AM and 5-7 PM or even later.

Staff Response: The hours of analysis are based on the VTA's Transportation Impact Analysis (TIA) Guidelines and requirements of CEQA. The peak hours have been established and confirmed through studies over a number of years.

(c) Will the modelling for the Mary Ave grade separation account for changes at the Mary Avenue overcrossing. If so, which option(s) would be used for the model?

Staff Response: Modelling for the Mary Ave grade separation will account for all items that are currently included in the current and proposed Land Use and Transportation Element (LUTE). In the case of the Mary Avenue Overcrossing, the model includes four vehicle lanes which are part of the current and proposed LUTE.

(d) Why does Mary Avenue not make use of the same level of simulation as the Sunnyvale Avenue plans (Synchro-only for Mary and Synchro and VISSIM for Sunnyvale)? (is this the less traffic analysis referenced in the RTC?)

Staff Response: The VISSIM model is more sophisticated, multimodal and expensive than Synchro. Synchro is typically sufficient when a traffic operational analysis is required (Mary Avenue is a typical crossing design). However, VISSIM is useful in more complex design and complex contexts like Sunnyvale Avenue, which is in close proximity to a train station and features significant rates of walking and biking that could be affected by project design.

(e) Do the 2,000 entities in the stakeholder database include both business owners, residents as well as Sunnyvale and outside agencies? If so, approximately how many Sunnyvale residents and businesses will be included once all the government stakeholders are added?

Staff Response: The consultant budget assumes no more than 2,000 entries for mailing and postage. Mailing and postage activities relate to residents and business owners living or operating within the study area typically 1,000 feet from the project area.

In addition to mailings, many more entities will be notified electronically. These additional entities include government agency stakeholders, the City's Neighborhood Association Yahoo Group (126 members), Nextdoor (62 groups representing over 20,000 residents), community organizations, and interested parties who sign up for the project mailing list. Additionally, the information will be posted on the City's website.

Agenda Item #2 17-0040**Title: Proposed Modification to the Water Rate Structure for Mobile Home Parks for Fiscal Year 2016/17**

Council Question: In looking at attachment one, the pricing would be retroactive to July 1, 2016. Is this standard operating procedure to retroactively increase the prices for utilities? Do we have a good feel for what percentage of our mobile home parks would be Tier 1 versus Tier 2 in a normal month? That would also give me a good understanding if this would be refunding a large number of properties (\$4.14 -> \$3.75) or charging (\$4.14 -> \$4.58).

Staff Response: It is not standard operating procedure to retroactively increase the prices for utilities and is being recommended to address the atypical circumstances regarding water billing for mobile home parks and as the adoption of the new rate structure will result in a credit being owed to most of the parks. This action only affects the 14 mobile home park owners in the City. The City's direct customers in this case are the parks, not the residents of the parks who are charged by their respective park owners as single family residences as required by California Public Utilities code section 2705.5. It is common to reimburse or charge customers for billing errors or provision of service. In this case, the recommendation is to align charges for park owners to the legal requirement for park owners to charge their residents for water usage. Staff has estimated the billing adjustments (which will ultimately be processed in the City's utility billing system). The result will be credits to almost all parks, totaling approximately \$80,000 across the 14 accounts with approximately three quarters of the consumption falling into the first billing tier. Any park that would not receive a credit will not be back billed; the rate will simply be adjusted going forward. The total revenue from the sale of water to the City for the year is estimated to be approximately \$43 million; therefore, the credit amount is not significant for the Water Fund. It's also important to note that both rate structures are designed, in tandem with the service charge, to recover full cost. The credits will be against future invoices.

Agenda Item #5 17-0112**Title: Introduce an Ordinance to Repeal Chapter 9.54 (Human Habitation of Vehicles) of Title 9 (Public Health, Safety and Welfare) and Amend Section 10.16.140 (Parking for Certain Purposes Prohibited) of Chapter 10.16 (Parking Regulations) of Title 10 (Vehicles and Traffic) of the Sunnyvale Municipal Code**

Council Question: I was surprised that the Staff report didn't bring the issue of parking a vehicle at one location for more than 72 hours is still a towable offense, regardless of whether it is habitable or for sale. That is correct, right?

Staff Response: Yes, per California Vehicle Code parking a vehicle at a location for more than 72 hours is a towable offense.