



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award of Bid No.PW14-05 for Concrete Sidewalks, Curbs, Gutters, and Driveway Approaches - 2014, Approval of Budget Modification No. 30, and Finding of CEQA Categorical Exemption

BACKGROUND

Approval is requested to award a construction contract in the amount of \$586,554 to Spencon Construction, Inc. of Danville for Concrete Sidewalks, Curbs, Gutters, and Driveway Approaches - 2014 (Public Works Project No. ST-14/02-14). Approval is also requested for a 10% construction contingency in the amount of \$58,655, and for Budget Modification No. 30 to appropriate funds from the Infrastructure Contingency Reserve in the City's Infrastructure Renovation and Replacement Fund.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a categorical exemption pursuant to Class 1, Section 15301(c) for the rehabilitation of existing facilities.

DISCUSSION

Capital Project 829400 (Sidewalk, Curb and Gutter Replacement) is intended to provide annual funding for the replacement of damaged or raised sidewalks, curbs and gutters throughout the City. Locations requiring repair or replacement are generally identified by residents and then inspected, prioritized and scheduled by the Department of Public Works Street Maintenance Division. Traditionally the requirements for each year are bundled together and contracted out through the public works bidding process.

This project was bid as follows:

Bid Notice: Advertised in The Sun on December 20, 2013;
 Provided to 18 Bay Area Builder's Exchanges;
 Posted on Onvia Demandstar public procurement network; and
 Published on the City's website.

Bid Response: 14 contractors requested bid documents.

Bid Results: Sealed bids publicly opened on January 15, 2014;
 Seven responsive bids were received.

The lowest responsive and responsible bid was from Spencon Construction, Inc. in the amount of \$586,554. The bid amount is approximately 22.5% above the engineer's estimate of \$479,000. The Bid Summary is attached. Staff recommends accepting the bid from Spencon Construction, Inc., the

lowest responsive and responsible bidder. Staff also recommends the award of a 10% contingency on this project.

FISCAL IMPACT

Project costs are as follows:

Construction	\$586,554
Construction contingency (10%)	<u>\$58,655</u>
Total costs	\$645,209

Project 829400 (Sidewalk, Curb and Gutter Replacement), funded by the General Fund, will have approximately \$240,000 in budget remaining to apply to this contract after final completion of the 2013 Sidewalk, Curb and Gutter project awarded in FY 2012/13 (RTC 13-077). Staff recommends that the remaining balance of \$405,209 be funded by the Infrastructure Contingency Reserve in the City's Infrastructure Renovation and Replacement Fund.

Because of steadily rising unit costs due to a rebounding economy and an increasing number of location requests, the current funding level is inadequate to address the current service level. The FY 2013/14 Adopted Budget estimated that funding of approximately \$500,000 annually would be sufficient to address 400 locations annually. However, the average repair costs per location have risen such that the budget will only cover approximately 270 locations on average. Furthermore, over the past three years, an average of 684 new locations has been added to the repair list each year. As a result, the backlog continues to grow.

While an appropriation from reserves will address the funding gap for this fiscal year, a long term solution is needed for the ongoing and continually increasing funding requirements in this area. Staff will discuss this issue in the FY 2014/15 Recommended Budget.

Budget Modification No. 30 has been prepared to appropriate an additional \$405,209 from the Infrastructure Contingency Reserve in the City's Infrastructure Renovation and Replacement Fund to Project 829400 (Sidewalk, Curb and Gutter Replacement) to fund the 2014 contract for the replacement of damaged or raised sidewalks, curbs and gutters throughout the City.

Budget Modification No. 30 FY 2013/14

	Current	Increase/ (Decrease)	Revised
Infrastructure			
Fund/General Sub-Fund			
Expenditures			
FY 2013/14 Project 829400 (Sidewalk, Curb and Gutter Replacement)	\$487,000	\$405,209	\$892,209
Infrastructure Contingency Reserve	\$11,234,833	(\$405,209)	\$10,829,624

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.) Award a contract, in substantially the same format as Attachment 2 and in the amount of \$586,554, to Spencon Construction, Inc., for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; 2.) Approve a 10% construction contingency in the amount of \$58,655; 3). Approve Budget Modification No. 30 to appropriate an additional \$405,209 to Project 829400 (Sidewalk, Curb and Gutter Replacement) from the Infrastructure Contingency Reserve in the City's Infrastructure Renovation and Replacement Fund; and 4.) Make a finding that the project is categorically exempt from CEQA pursuant to Class 1, Section 15301 for the rehabilitation of existing facilities.

Prepared by: Pete Gonda, Purchasing Officer
Reviewed by: Grace Leung, Director, Finance
Reviewed by: Kent Steffens, Director, Public Works
Approved by: Robert A. Walker, Interim City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract