



File #: 17-0026, Version: 1

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW17-11 for Concrete, Sidewalk, Curbs, Gutters and Driveway Approaches 2017 and Kifer Road Sidewalk Improvements, Finding of California Environmental Quality Act (CEQA) Categorical Exemption, and Approval of Budget Modification No. 37 in the Amount of \$1,210,455

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$1,178,455 to JJR Construction, Inc. of San Mateo for Concrete, Sidewalk, Curbs, Gutters and Driveway Approaches 2017 and Kifer Road Sidewalk Improvements project (Public Works Project ST-17-03) and for a 10% construction contingency in the amount of \$117,846. Approval is also requested for Budget Modification No. 37 in the amount of \$1,210,455 to advance project funding from FY 2017/18.

EXISTING POLICY

Section 1309 of the City Charter requires public works construction contracts to be awarded to the lowest responsive and responsible bidder.

Section 1305 of the Charter states that at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a Class 1 categorical exemption pursuant to CEQA Guidelines Section 15301 for maintenance or repair of existing facilities involving negligible or no expansion of use beyond which presently exists.

BACKGROUND AND DISCUSSION

Capital Project 829400, Sidewalk, Curb, and Gutter Replacement, provides annual funding for the replacement of damaged or raised sidewalks, curbs, gutters and driveway approaches 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 competitive bid process. Approximately 230 locations throughout the City have been identified as requiring replacement.

This project was advertised in the Sunnyvale Sun on January 20, 2017, with five general contractors requesting bid documents. Sealed bids were opened February 22, 2017, with three responsive bids received. The lowest responsive and responsible bid was submitted by JJR Construction, Inc. of San Mateo, in the amount of \$1,178,455. The Bid Summary is attached.

Public Works staff is ahead of schedule for this project. The FY 2015/16 and 2016/17 projects were awarded last fiscal year (RTC Nos. 15-0927 and 16-0342). As staff is ahead of schedule, there is the opportunity to take advantage of the summer months. Therefore, a budget modification is recommended to move funding from FY 2017/18 to the current fiscal year so that the project can move forward earlier than anticipated and complete the work early in the fiscal year to ensure that the FY 2017/18 work is done on schedule.

FISCAL IMPACT

Project costs consist of the base bid in the amount of \$1,178,455, plus a 10% construction contingency in the amount of \$117,846, for a total of \$1,296,301. The FY 2016/17 Budget includes planned sidewalk funding for FY 2017/18 of \$1,525,290. Budget modification No. 37 has been prepared to bring forward the majority of the FY2017/18 funding and appropriate it to the current budget to fund this contract.

Staff is expecting the state to return \$1,070,000 in excess educational revenue augmentation funds (ERAF) that can be applied to the FY 2017/18 budget. Over the past two years excess ERAF has been used to enhance sidewalk repair funding. Staff will recommend adding the excess ERAF to the FY 2017/18 sidewalk funding to maintain the five-year backlog for another two years. Additionally, a portion of Measure B funds are being planned starting in FY 2021/22 to stabilize the backlog of sidewalk repairs at five years going forward. Staff is currently preparing the FY 2007/08 Recommended Budget and will include a discussion of option for sidewalk funding in the proposal.

Sidewalk, Curb and Gutter replacements are funded by a General Fund transfer to the Infrastructure Renovation and Replacement Fund.

Budget Modification No. 37 has been prepared to accelerate project funding from FY 2017/18 and appropriate General Fund funds in the amount of \$1,210,455 for replacement of damaged or raised sidewalks, curbs, and gutters. If this recommended budget modification is approved, the FY 2017/18 Recommended Budget will reflect this change.

**Budget Modification No. 37
FY 2016/17**

	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Reserves</u>			
Budget Stabilization Fund	\$50,053,394	(\$1,210,455)	\$48,842,939
<u>Expenditures</u>			
Transfer to the Infrastructure and Replacement Fund (Sidewalk, Curb, and Gutter Replacement)	\$516,808	\$1,210,455	\$1,727,263

Infrastructure Renovation and Replacement Fund

Revenue

Transfer from the General Fund (Sidewalk, Curb, and Gutter Replacement)	\$516,808	\$1,210,455	\$1,727,263
---	-----------	-------------	-------------

Expenditure

Project 829400 - Sidewalk, Curb, and Gutter Replacement	\$2,016,808	\$1,210,455	\$3,227,263
---	-------------	-------------	-------------

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) Make a finding of a California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines Section 15301 for maintenance or repair of existing facilities involving negligible or no expansion of use beyond which presently exists; 2) Award a contract in substantially the same form as Attachment 2 to the report and in the amount of \$1,178,455 to JJR Construction, Inc. and authorize the City Manager to execute the contract when all necessary conditions have been met; 3) Approve a 10% construction contingency in the amount of \$117,846, and 4) Approve Budget Modification No. 37 in the amount of \$1,210,455 to advance project funding from FY 2017/18.

Prepared by: Pete Gonda, Purchasing Officer
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Manuel Pineda, Director of Public Works
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract