



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW18-08 for the Landscape Improvements on Caribbean Drive Re-Bid Project, Finding of California Environmental Quality Act (CEQA) Categorical Exemption, and Approval of Budget Modification No. 29

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$599,164 to Galeb Paving, Inc. of Saratoga for landscape improvements. Approval is also requested for a 10% construction contingency in the amount of \$59,916 and a Budget Modification in the amount of \$36,131.

EXISTING POLICY

Section 1309 of the City Charter requires public works construction contracts to be awarded to the lowest responsive and responsible bidder. Further, pursuant to Chapter 2.09 of the Sunnyvale Municipal Code, City Council approval is required for construction contracts exceeding \$100,000.

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

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for the project is a Class 4 categorical exemption pursuant to CEQA Guidelines Section 15304(d) for minor alterations in land.

BACKGROUND AND DISCUSSION

The Landscape Improvements on Caribbean Drive (Capital Project 831540) provides funding for cleanup and restoration of just over one mile of parkway along Mathilda Avenue adjacent to the City's landfill on the north side of Caribbean Drive. The parkway was previously screened by a row of 500 eucalyptus trees that stretched across this distance along Caribbean Drive. In 2012, PG&E removed nearly all of these trees due to safety concerns related to potential impacts of the roots on its 36" high pressure gas pipeline buried just below the trees. The area contains an uneven surface, debris, damaged fencing, and weedy vegetation. The project includes leveling, grading, and repair and replacement of sections of the existing chain link fence.

An Invitation for Bids for this project was initially advertised on June 9, 2017, with no bids received. In advance of the re-bid procurement, staff reached out to potential bidders to encourage them to participate in the bidding process. The re-bid was advertised for competitive bidding on September 22, 2017, with six general contractors requesting bid documents. Sealed bids were opened on October 18, 2017, with three bids received (see Attachment 1 - Bid Summary). The lowest

responsive and responsible bid was submitted by Galeb Paving, Inc. of Saratoga in the amount of \$599,164. While the bids were higher than anticipated in the budget, staff recommends moving forward as there is no guarantee that re-bidding the project in the current economic climate will produce a better bid result. Therefore, a Budget Modification in the amount of \$35,131 is recommended for approval so that work can proceed.

FISCAL IMPACT

Budget Modification No. 29 recommends appropriation of \$36,131 to Project 831540, Landscape Improvements on Caribbean Drive. Current FY 2017/18 amounts include available carryover from the prior fiscal year. A total of \$659,080 is necessary to fund the entire project including design, construction contract award, and contingency. Additionally, \$11,803 is needed to fund remaining design contract invoices related to the project.

Budget Modification No. 29 FY 2017/18

	<u>Current</u>	<u>Increase/ (Decrease)</u>	<u>Revised</u>
Solid Waste Management Fund			
<u>Expenditures</u>			
Project 831540 - Landscape Improvements on Caribbean Drive	\$ 634,752	\$ 36,131	\$ 670,883
<u>Reserves</u>			
Rate Stabilization Reserve	\$ 3,062,153	(\$ 36,131)	\$ 3,026,022

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 15304(d) for minor land alterations; 2) Award a contract in substantially the same form as Attachment 2 to the report in the amount of \$599,164 to Galeb Paving, 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 \$59,916; and 4) Approve Budget Modification No. 29 in the amount of \$36,131 to provide additional project funding.

Prepared by: Gregory S. Card, Purchasing Officer
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Melody Tovar, Interim Director of Environmental Services
Reviewed by: Craig Mobeck, Interim Director of Public Works
Reviewed by: Teri Silva, Interim Assistant City Manager
Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Bid Abstract
2. Draft General Construction Contract