



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 19-0457, Version: 1

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW19-12 to Ray's Electric for the Intersection Upgrade at E. Remington Drive and Michelangelo Drive Project, Determination of Bid Non-Responsiveness and Waiver of Minor Bid Irregularity, Finding of California Environmental Quality Act (CEQA) Categorical Exemption, and Approval of Budget Modification No. 25 in the Amount of \$111,289

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$251,537 to Ray's Electric of Oakland for Intersection Upgrade at E. Remington Drive and Michelangelo Drive (Public Works Project No. TR-17-01), a 10% construction contingency in the amount of \$25,154, and for Budget Modification No. 25 in the amount of \$111,289 to provide necessary project funding.

EXISTING POLICY

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

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 a 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.

Pursuant to Section 2.09.040 of the Sunnyvale Municipal Code, City Council approval is required for public works contracts exceeding \$100,000 in any one transaction.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a Class 1 categorical exemption pursuant to CEQA Guidelines Section 15301(c) for transit improvements such as pedestrian crossings and other similar alterations that do not create additional automobile lanes.

BACKGROUND AND DISCUSSION

The project consists of intersection upgrades at E. Remington Drive and Michelangelo Drive which include: construction of an in-roadway lighting system, a new street light, accessible pedestrian signal push buttons, pull boxes, conduits, cabling, accessible curb ramps, signage and striping modifications. The City was awarded Highway Safety Improvement Program grant funds (HSIP-5213 (055)) for this project, which will be administered through Caltrans' Division of Local Assistance. The Highway Safety Improvement Program is a federal aid program providing funds for projects that qualify to achieve significant reductions in fatalities and serious injuries on all public roads. Agencies that utilize federal monies shall follow Caltrans' procedures for full reimbursement of the grant amount.

The project was advertised for competitive bidding on the City's DemandStar public procurement network and distributed to the Bay Area Builder's Exchange on January 25, 2019, with 12 contractors requesting bid documents. Sealed bids were opened on February 20, 2019, with three bids received (see Attachment 1 - Bid Summary).

The lowest bid received, from Guerra Construction Group, did not meet the Federally-mandated Disadvantage Business Enterprise (DBE) goal of 24%. In accordance with the administrative compliance agency requirements (Caltrans), the provisions of Sunnyvale Municipal Code governs the determination of a responsive and responsible contractor. This bid is recommended to be deemed non-responsive due to the bidder not sufficiently documenting and demonstrating that adequate subcontracting and/or good faith efforts were made to meet the DBE goal. Therefore, staff recommends that Council determine this bidder as non-responsive.

The second lowest bid was received from Ray's Electric in the amount of \$251,537, which meets the Federally-mandated DBE goal of 24%. However, the bid contained minor clerical errors on the submitted forms. Since these errors did not impact the DBE goal or the bid price, in accordance with Sunnyvale Municipal Code Section 2.09.120 Council is requested to waive the errors as a minor bid irregularity. Staff recommends that Council award a contract to Ray's Electric.

FISCAL IMPACT

Project costs include the base bid of \$251,537 and a recommended 10% contingency in the amount of \$25,154, for a total of \$276,691. The current budget includes \$167,676 in Capital Project 832090 (Remington Dr. and Michelangelo Dr. Intersection Improvement), of which \$165,402 is available. Budget Modification No. 25 has been prepared to appropriate \$111,289 from the Capital Project Funds/Transportation Impact Fees (TIF) Sub-Fund Reserve to cover the portion of the project costs not yet budgeted.

Budget Modification No. 25

FY 2018/19

	Current	Increase/(Decrease)	Revised
Capital Projects Fund- General Assets Sub-Fund			
<u>Transfers</u>			
Transfer from the Transportation Impact Fees Sub-Fund	\$773,000	\$111,289	\$884,289
<u>Expenditures</u>			
Project 832090 -Remington Dr and Michelangelo Dr Intersection Improvement	\$167,676	\$111,289	\$278,965

Capital Projects Fund- Transportation Impact Fees Sub-Fund			
<u>Transfers</u>			
Transfer to the Capital Projects Fund - General Assets Sub- Fund	\$773,000	\$111,289	\$884,289
<u>Reserves</u>			
Transportation Impact Fees Sub-Fund	\$22,992,689	(\$111,289)	\$22,881,400

Funding Source

This project is funded by Highway Safety Improvement Program (HSIP) grant funds and Transportation Impact Fees (TIF).

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

Take the following actions:

- Make a determination that the bid received from Guerra Construction Group is non-responsive due to the bidder not sufficiently documenting and demonstrating that adequate subcontracting and/or good faith efforts were made to meet the Disadvantage Business Enterprise goal
- Make a finding of a categorical exemption from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(c)
- Make a determination to waive the minor bid irregularities for the bid of Ray's Electric
- Award a contract in substantially the same form as Attachment 2 to the report in the amount of \$251,537 to Ray's Electric
- Authorize the City Manager to execute the contract when all necessary conditions have been met
- Approve a 10% construction contingency in the amount of \$25,154
- Approve Budget Modification No. 25 in the amount of \$111,289

Prepared by: Gregory S. Card, Purchasing Officer
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Chip Taylor, Director of Public Works
Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract