

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW20-05 to Joseph J. Albanese, Inc. for Fair Oaks Avenue Overhead Bridge Rehabilitation, Approve Budget Modification No. 15 in the amount of \$6,826,145, Award a Contract to Ghirardelli Associates, Inc., Amend the Contract with Biggs Cardosa Associates Inc., and Approve a Peninsula Corridor Joint Powers Board Amended Service Agreement

REPORT IN BRIEF

Approval is requested for authorization for the City Manager to take certain actions related to the Fair Oaks Avenue Overhead Bridge Rehabilitation Project (Project No. TR-13/01-16) and for the City Council to Approve Budget Modification No. 15, both upon receipt of confirmation of additional funding from Caltrans. Council approval is recommended to:

- A. Authorize the City Manager to take the following actions upon confirmation of additional funding from Caltrans:
 - Award a construction contract in substantially the same form as Attachment 2 to the report to Joseph J. Albanese in the amount of \$18,386,002.86;
 - Execute the construction contract when all necessary conditions have been met;
 - Approve a 10% construction contingency in the amount of \$1,838,600;
 - Execute a First Amendment to a construction management contract to increase the contract amount by \$2,333,197.29 to a new amount not-to-exceed \$2,382,824.70 with Ghirardelli Associates, Inc.;
 - Execute a Fifth Amendment to an engineering services contract with Biggs Cardosa Associates Inc. of San Jose to increase the contract by \$442,731 to a new amount not-to-exceed \$2,626,075;
 - Execute Peninsula Corridor Joint Powers Board (PCJPB) Amended Service Agreement (Amendment #1) in an amount not-to-exceed \$177,506.
- B. Approve Budget Modification No. 15 in the amount of \$6,826,145 to provide additional project funding upon confirmation of additional funding from Caltrans.

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 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.

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

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.

General Plan, Chapter 3, Policy LT-5.4 - Maintain Roadways and traffic control devices in good operating condition; and;

General Plan, Chapter 3, Policy LT-5.8 - Provide a safe and comfortable system of pedestrian and bicycle pathways.

ENVIRONMENTAL REVIEW

The project is within the scope of the certified Environmental Impact Report and adopted the Mitigation Monitoring and Reporting Program for the Fair Oaks Avenue Overhead Bridge Rehabilitation Project adopted by City Council on March 17, 2015 (RTC No. 15-0143).

BACKGROUND AND DISCUSSION

The Fair Oaks Avenue Overhead Bridge (bridge) is located on Fair Oaks Avenue between Kifer Road and Evelyn Avenue. The bridge crosses over Hendy Avenue, the railroad tracks owned by the Peninsula Corridor Joint Powers Board (Caltrain), and is adjacent to an apartment community and the Home Depot store. The bridge was constructed in 1967 and was seismically retrofitted in both 1981 and 1993. Caltrans inspects the bridge, and evaluates its structural integrity and functionality every two years. Recent Caltrans bridge inspection records indicate that the bridge has significant deck cracking and spalling; as well as inadequate sidewalk width, barriers and approach railings. The bridge is considered safe for driving but requires substantial rehabilitation.

The Fair Oaks Avenue Overhead Bridge Rehabilitation Project (Project) will rehabilitate the bridge to address the identified structural deficiencies and will expand bicycle and pedestrian amenities. The rehabilitated bridge will maintain its current automobile capacity of two travel lanes in each direction; however, the Project will widen existing bicycle lanes from five feet to six feet to meet current City standard, and will add a sidewalk on the east side of the bridge. Currently, the bridge does not have a sidewalk for pedestrians to use; the separate pedestrian overcrossing (POC) structure over the Caltrain tracks adjacent to the bridge serves this purpose. The Project will remove the POC, which has several inadequacies related to accessibility and making the POC an "attractive nuisance" for graffiti and improper disposal of garbage/waste. The project will also improve the portion of Hendy Avenue running beneath the bridge by reducing the curvature of the roadway to improve visibility for drivers. Improvements to the intersections at the northern and southern ends of the bridge will be completed. The improvements are intended to enhance safety of drivers, pedestrians, and bicyclists using the bridge and its connecting roadways, as well as complying with ADA requirements.

Federal grant funding from the Highway Bridge Program (HBP) will account for 88.53% of the overall project cost, with the remaining 11.47% funded by the City. The preliminary engineering/design (RTC Nos. 12-205 and 15-0143) and right-of-way acquisition/compensation (RTC Nos. 16-0996 and 18-0335) have been completed. The design phase cost was \$2.8 million, and right-of-way acquisition phase cost was \$3.3 million. The total construction phase cost will be approximately \$23.6 million. Total project cost is \$29.7 million.

Construction is anticipated to begin in early 2020, and is to be completed in approximately 16

months. During this time, temporary lane reductions on the bridge and brief bridge closures may be required. In addition, the portion of Hendy Avenue beneath the bridge would be closed for up to several months. The temporary Hendy Avenue closure will include closing the driveway entrance on the western side of the Home Depot parking lot to the public. The contractor must maintain access for emergency vehicles, and all other entrances to the Home Depot parking lot will be unaffected. The anticipated construction method does not assume the use of pile driving, which substantially reduces the potential for disruptive noise and vibration effects.

Project Design and Construction Support Services

In 2012, the Council awarded a design contract (RTC No. 12-205) in the amount of \$2,183,344, plus a 10% contingency to Biggs Cardosa Associates (BCA) as the result of a Request for Proposals (RFP) (F1109-15) process utilizing Caltrans Local Assistance procedures required for federally-funded projects. The design was fully completed in September 2019.

Due to the federal grant restrictions, the engineering services during construction work scope for BCA was not included in the initial design contract even though these services were part of the RFP selection process. The work has now been authorized by Caltrans and is required during the construction period to perform review of Requests for Information, submittals, and other construction support services typically performed by the design firm. An amended contract with BCA to increase the not-to-exceed amount by \$442,731, for a new total not-to-exceed amount of \$2,626,075 is necessary for these services. Caltrans does not allow contingency on engineering services during construction; the existing BCA contract has a portion of the design contingency remaining that can be utilized if necessary.

Construction Management Services

In July 2014, staff conducted an RFP (F14-96) in accordance with Caltrans Local Assistance Procedures (LAPM) for constructability review and construction management services. These services include design constructability review, construction contract administration, quality assurance, inspection and material testing, public/community relations, and post construction closeout. The RFP was designed to separate the services into two phases of work, the first phase would allow initial constructability review to occur in preparation for bidding the project. The second phase is intended to provide construction management services and was expected to be awarded only after Caltrans provided issuance of the E-76 Form (Notice to Proceed) for construction. This delayed award was approved under the LAPM guidelines approved at the time of this RFP.

Ghirardelli Associates, Inc. (Ghirardelli) was awarded a contract in the amount of \$49,627.41 for Phase 1 (Design Constructability Review) in December 2014 under the City Manager's award authority. Due to the complex technical nature of the project and limited staff resources available, staff recommends amending Ghirardelli's contract to include Phase 2 (Construction Management Services) in the amount of \$2,382,824.70.

Caltrans does not allow contingency on construction management services. Should Ghirardelli's services be needed for any claims resolution, the City will request additional funding from Caltrans and a contract amendment for the services.

Peninsula Corridor Joint Powers Board (PCJPB) Amended Service Agreement

A portion of the bridge to be rehabilitated is above Peninsula Corridor Caltrain's railroad tracks. A Service Agreement between PCJPB and the City was signed in January 2015 with a deposit of

\$50,000. The service agreement requires the City to reimburse the PCJPB for the permit application fee, the cost of railroad flaggers, inspections, engineering review, administrative and legal review, etc. for work above and adjacent to the railroad tracks. In 2019, PCJPB provided an estimated reimbursable cost of the work to be performed by PCJPB during the Project in the amount of \$227,756. With the original deposit of \$50,000, PCJPB requests a payment of \$177,756 for the Service Agreement (Amendment #1).

Construction Bidding

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 September 6, 2019. Thirty-eight (38) contractors requested bid documents and sealed bids were opened on November 6, 2019, with six (6) bids received. Joseph J. Albanese, Inc. has the lowest responsive and responsible bid in the amount of \$18,386,002.86. The Bid Summary is contained in Attachment 1. This bid is 24.6% above the engineer's revised estimate dated October 2018. A preliminary comparison of the bids with the engineer's estimate show the largest discrepancy in bid items for metal (reinforcing steel, signal poles, lighting poles, and railings) and concrete work (concrete barriers, bridge structural concrete).

FISCAL IMPACT

The project is 88.53% funded from the Federal grant (HBP) and 11.47% from local matching funds.

In August, 2019, Caltrans authorized the project budget of \$23,630,505, which consists of \$20,920,086 Federal funds and \$2,710,419 local funds. This authorization was based on the engineer's construction cost estimate dated in May 2018.

The lowest responsive and responsible bid from Joseph J. Albanese, Inc. is \$18,386,002.86. By adding the cost of construction support services for BCA, Ghirardelli, PCJPB, and estimated City Staff support, the total project cost will be approximately \$29,675,145. Comparing with Caltrans authorized project budget of \$23,630,505, an additional \$6,044,641 will be required to complete the project (\$5,351,321 Federal funds and \$693,320 local funds).

After the bid opening, staff contacted the Caltrans District 4 Office of Local Assistance. Caltrans' Local Assistance Engineer indicated to staff that the Federal HBP grant can be increased to close the gap between the authorized \$23,630,505 and all eligible project costs of \$29,675,145 at the same ratio of 88.53% Federal and 11.47% local. The Local Assistance Engineer has instructed staff to obtain City Council's approval to award the construction contract to the lowest responsive and responsible bidder, as well as the approval of construction service contracts. Staff has submitted a request for construction cost increase to Caltrans Local Assistance Office, in accordance with Caltrans procedures to secure the additional federal funds of \$5,351,321 (88.53% of \$6,044,641). Caltrans has indicated that it could possibly take 3 months for the additional funding authorization to be completed.

Council has approved a \$22,849,000 budget for Project 825610 - Fair Oaks Avenue Overhead Bridge Repair, which \$20,003,551 was budgeted for the Federal funds and \$2,845,449 was budgeted as local matching funds. The project has spent \$4,763,911 by the end of FY2018/19, which left \$18,085,089 available in FY 2019/20.

Budget Modification No. 15 has been prepared to increase the budget for the HBP Grant revenue by \$6,267,855 and local matching fund by \$558,290 for the total of \$6,826,145. Total project cost will be

increased to \$29,675,145 and available budget for FY 2019/20 will be increased to \$24,911,234.

Due to the timing of the project bid opening (valid for 90 days) and delay in funding increase authorization from Caltrans, staff is requesting authorization be granted to the City Manager to award the construction contract and approve all contracts and associated contingencies listed in this staff report upon receipt of confirmation from Caltrans for additional funding authorization. Staff would work with the contractor to move the start date for construction to Spring 2020.

**Budget Modification No. 15
FY 2019/20**

| | Current | Increase/ (Decrease) | Revised |
|--|----------------|---------------------------------|----------------|
| Fund 385-100 (Capital Projects Fund- General Assets Subfund) | | | |
| <u>Revenues</u> | | | |
| Project 825610- Fair Oaks Avenue | \$16,648,448 | \$6,267,855 | \$22,916,303 |
| Overhead Bridge Repairs HPR | | | |
| Grant | | | |
| <u>Transfers</u> | | | |
| Transfer in From Infrastructure | \$0 | \$558,290 | \$558,290 |
| Renovation & Replacement Fund | | | |
| <u>Expenditures</u> | | | |
| Project 825610 - Fair Oaks | \$18,085,089 | \$6,826,145 | \$24,911,234 |
| Avenue Overhead Bridge Repairs | | | |
| Fund 610-100 (Infrastructure Renovation & Replacement Fund - General SubFund) | | | |
| <u>Transfers</u> | | | |
| Transfer out to Capital Projects | \$0 | \$558,290 | \$558,290 |
| Fund | | | |
| <u>Reserves</u> | | | |
| Infrastructure Contingency | \$38,647,928 | (\$558,290) | \$38,089,638 |

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.

ALTERNATIVES

1. A. Authorize the City Manager upon receipt of confirmation of additional funding from Caltrans:
 - Award a construction contract in substantially the same form as Attachment 2 to the report to Joseph J. Albanese in the amount of \$18,386,002.86;
 - Execute the construction contract when all necessary conditions have been met;
 - Approve a 10% construction contingency in the amount of \$1,838,600;
 - Execute a First Amendment to a construction management contract to increase the contract amount by \$2,333,197.29 to a new amount not-to-exceed \$2,382,824.70 with Ghirardelli Associates, Inc.;
 - Execute a Fifth Amendment to an engineering services contract with Biggs Cardosa Associates Inc. of San Jose to increase the contract by \$442,731 to a new amount not-to-exceed \$2,626,075; and
 - Execute Peninsula Corridor Joint Powers Board (PCJPB) Amended Service Agreement (Amendment #1) in an amount not-to-exceed \$177,506.
- B. Approve Budget Modification No. 15 in the amount of \$6,826,145 to provide additional project funding upon confirmation of additional funding from Caltrans.
2. Do not award the construction contract and other actions stated in Alternative 1.
3. Take other action as determined by Council.

RECOMMENDATION

Alternative 1:

- A. Authorize the City Manager upon receipt of confirmation of additional funding from Caltrans:
 - Award a construction contract in substantially the same form as Attachment 2 to the report to Joseph J. Albanese in the amount of \$18,386,002.86;
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 - Execute Peninsula Corridor Joint Powers Board (PCJPB) Amended Service Agreement (Amendment #1) in an amount not-to-exceed \$177,506.
- B. Approve Budget Modification No. 15 in the amount of \$6,826,145 to provide additional project funding upon confirmation of additional funding from Caltrans.

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 - Joseph J. Albanese, Inc.

3. Draft First Amendment to Consultant Services Agreement - Ghirardelli Associates
4. Draft Fifth Amendment to Consultant Services Agreement - Biggs Cardosa Associates
5. Draft Amended Service Agreement (Amendment #1) - PCJPB