



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve Budget Modification No. 25 in the amount of \$464,435 for the Fair Oaks Avenue Overhead Bridge Rehabilitation and Authorize the City Manager to Execute the Construction Contract with Joseph J. Albanese

BACKGROUND

In August 2019, after reviewing the final plans, specifications and cost estimate for construction of the Fair Oaks Overhead Bridge Rehabilitation Project, Caltrans authorized a construction budget of \$17,365,000, which consisted of \$15,373,235 in Federal funds (88.53%) and \$1,991,766 of City-paid local matching funds (11.47%). The approved budget included the costs of both construction and construction support services. The removal of the existing Pedestrian Overcrossing (POC) was included in the approved construction scope.

On November 6, 2019, six construction bids were received. The lowest bid in the amount of \$18,386,002 was by Joseph J Albanese, Inc (RTC No. 20-0173). Including the costs of contingency and construction support services, the total construction cost totals \$23,545,850. Comparing with the Caltrans authorized construction budget of \$17,365,000, an additional \$6,180,850 is required to construct the project.

On January 14, after reviewing RTC No. 20-0173 (Attachment 1), the Council took the following actions:

A. Authorized the City Manager to do the following actions upon receipt of confirmation of additional funding from Caltrans:

- Award a construction contract 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;
- Execute First Amendment to a construction management contract with Ghirardelli Associates, Inc.;
- Execute a Fifth Amendment to an engineering services contract with Biggs Cardosa Associates Inc.; and
- Execute Peninsula Corridor Joint Powers Board (PCJPB) Amended Service Agreement.

B. Approved 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

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 City Council certified the Environmental Impact Report and adopted the Mitigation Monitoring and Reporting Program for the Fair Oaks Avenue Overhead Bridge Rehabilitation Project on March 17, 2015 (RTC No. 15-0143 - Attachment 1). The project scope has not changed and no further environmental review is required.

DISCUSSION

Since Council action was taken in January, Staff has consulted with the Caltrans District 4 Local Assistance Engineer (DLAE) and prepared a Federal-HBP Fund Cost Change Request (Request) for additional construction budget in the amount of \$6,180,850. The Request was submitted to DLAE Office on December 5, 2019. The request was for the maximum allowable federal funding of \$5,471,907 (88.53%) federal funding, with the remainder being funded through the Council approved Budget Modification No.15 on January 14. DLAE reviewed the Request and recommended approval by Caltrans headquarters office in Sacramento for formal authorization.

On February 10, staff was informed that Caltrans Headquarters did not approve the request and determined that costs related to removal of the existing Pedestrian Overcrossing (POC) is now considered a non-participating cost and the City is responsible for all expenses related to its removal. By their definition, the non-participating cost of POC removal in the amount of \$524,608 includes:

- The contractor bid price of the POC removal in the amount of \$450,000 plus 10% contingency, subtotal is \$495,000
- The cost of Caltrain/PCJPB support and flagging related to the POC removal period of 4 weeks in the amount of \$29,608

Upon receipt of the Caltrans comments, staff revised and resubmitted the Federal-HBP Fund Cost Change form to address the comments received. Approval for the additional federal funding in the amount of \$5,051,995 was received on March 9. Because the revised request reduces the additional Federal funds needed from \$5,471,904 to \$5,051,995, the required local match was also reduced so the current City budget modification requested is \$464,435 rather than the full cost of \$524,608.

In accordance with the California Public Contract Code, low bid construction contracts should be awarded within 90 days of bid opening. Bids for this project were received on November 6, 2019 which is beyond the 90-day standard. Staff reached out to the contractor to request holding the bid price until March 31 and the contractor is structuring his contracts with subcontractors to be contingent upon the receipt of additional federal funding.

Staff reviewed the project files and found that removal of the POC was included in the original application for Federal Funds for Rehabilitation of the Fair Oaks Avenue Overhead Bridge dated in 2006 and has been included in all subsequent recent approvals by Caltrans. City staff looked into the appeal process; however, Caltrans provided an email showing that the City was informed in 2012 that the POC was potentially a non-participating cost.

There are several deficiencies with the POC and a major reason for widening and adding sidewalk to the Fair Oaks bridge was so this structure could be removed. The POC's access ramps currently do not meet standards set forth in the Americans with Disabilities Act (ADA), and the pedestrian access points to the POC are obscure and not easy to find. This makes it an attractive nuisance for graffiti

and garbage and the City regularly receives complaints about the area. Residents have reported feeling unsafe using the POC due to its remote location. In addition, at present, the POC structure may be too low to accommodate anticipated improvements associated with the electrification of Caltrain (the Peninsula Corridor Electrification Project or PCEP) and/or the introduction of California High-Speed Rail (CHSR) service.

Staff has discussed proceeding with the project without removing the POC with both the design firm and the contractor and the consensus is that the rehabilitation of the bridge and reconstruction of Hendy Avenue work can still be completed as designed. If City Council chooses not to approve the requested Budget Modification, it would be possible to execute the contract for the full bid amount, then staff can issue a construction change order to delete the POC removal work. Following construction, the POC would not be needed since its function is replaced with the new sidewalk on the bridge and staff would evaluate options such as installing gates at either end of the POC to restrict public access, and possibly creating a new project to fund removal in the future.

The removal of the POC is currently included as scope in the construction documents.

FISCAL IMPACT

Budget Modification No. 25 has been prepared to replace the portion of the Federal HBP Grant revenue that was designated for the POC renovation cost with the Infrastructure Renovation & Replacement Fund in the amount of \$464,435.

Budget Modification No. 25 FY 2019/20

	Current	Increase/ (Decrease)	Revised
Fund 385-100 (Capital Projects Fund- General Assets Subfund)			
<u>Revenues</u>			
Project 825610- Fair Oaks Avenue Overhead Bridge Repairs HBP Grant	\$22,916,303	\$(464,435)	\$22,451,868
<u>Transfers</u>			
Transfer in from Infrastructure Renovation & Replacement Fund	\$558,290	\$464,435	\$1,022,725
Fund 610-100 (Infrastructure Renovation & Replacement Fund - General SubFund)			
<u>Transfers</u>			
Transfer out to Capital Projects Fund	\$558,290	\$464,435	\$1,022,725

Reserves

Infrastructure Contingency	\$38,089,638	(\$464,435)	\$37,625,203
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PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety; and by making the agenda and report available at the Office of the City Manager and on the City's website.

RECOMMENDATION

Authorize the City Manager to take the following actions:

- Award a construction contract 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;
- Approve Budget Modification No. 25 in the amount of \$464,435

Prepared by: Nathan Scribner, Assistant City Engineer, Public Works

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS:

1. RTC 20-0173