



City of Sunnyvale

Agenda Item

19-0091

Agenda Date: 3/5/2019

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW19-06 to Redgwick Construction Company for the Maude Avenue Bikeway and Streetscapes Re-Bid, Finding of California Environmental Quality Act (CEQA) Categorical Exemption, Approve Budget Modification No. 20 in the Amount of \$222,865, and Approve an Increase to the Contingency for Design Services with Kimley-Horn and Associates (F16-108)

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$1,022,140.10 to Redgwick Construction Company of Oakland for the Maude Avenue Bikeway and Streetscapes Re-Bid (Public Works Project No. TR-15/03-17), a 10% construction contingency in the amount of \$102,214, and for Budget Modification No. 20 to provide additional project funding.

Approval is also requested to increase the contingency for design services with Kimley-Horn and Associates in the amount of \$10,000, approximately 5% of the total contract value, which would increase the current design contract contingency from \$20,640 to \$30,640.

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 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 to authorize the transfer of unused balances appropriated for one purpose or another, or to appropriate available revenue included in the budget.

ENVIRONMENTAL REVIEW

The proposed project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(a) as it involves the maintenance or repair of an existing facility, which includes public owned facilities, involving negligible or no expansion of use beyond which presently exists.

BACKGROUND AND DISCUSSION

City Council approved a resolution of support for application for Department of Transportation -One Bay Area Grant (OBAG)) federal funding at its February 26, 2013 meeting (RTC No. 13-046). Staff applied for eleven projects and the City was awarded funding for seven projects including this project.

The project's scope includes the installation of new dedicated bike lanes along Maude Avenue, from Borregas Avenue to Fair Oaks Avenue. Following the successful completion of the pilot project in 2016, which revised pavement striping between North Mathilda Avenue and Sunnyvale Avenue, permanent striping will be installed with this project. The project also includes pedestrian facility upgrades such as ADA ramps, crosswalk, and pedestrian signals. Minor sidewalk repair, minor pavement repair and geometric modifications to the Sunnyvale and Maude Avenue intersection will also be made.

This project was initially advertised for competitive bidding on April 6, 2018 and two bids were received. The low bid of \$1,551,268 was 18% higher than the engineer's estimate and exceeded the available budget. All bids were rejected on August 14, 2018 (RTC No. 18-0589) to allow City staff to evaluate areas for cost reductions. The bidding documents were changed to include creating additive alternate bid items for four intersections and modifying plans to install bike lanes east of Sunnyvale Avenue intersection on a pilot basis, utilizing pavement paint in lieu of the originally planned permanent bike lanes and signage. Public outreach for the project was conducted in spring 2016 where the public was informed about the installation of bike lanes and the resultant loss of on street parking along the corridor (See attachment 3 for more information).

The removal of parking could result in vehicles shifting their parking onto other streets within the neighborhood. With this project now being implemented, staff will once again take the opportunity to inform the public about this change in roadway geometry by mailing flyers to adjacent residents before beginning construction. Staff will monitor the improvements for at least six months to determine if the bicycle lanes east of Sunnyvale Avenue should be permanently installed in the future.

The project was re-advertised for competitive bidding on the City's DemandStar public procurement network and distributed to Bay Area Builder's Exchange on November 11, 2018. Thirteen contractors requested bid documents. Five sealed bids were received on December 12, 2018 (Attachment 1 - Bid Summary). Redgwick Construction Company submitted the lowest responsive and responsible bid in the amount of \$1,022,140.10 for the base bid items. Staff does not recommend awarding any of the additive alternate bid items because the cost will exceed the available budget for this project. The bid alternate work will be incorporated into future projects.

Due to the re-bid, Kimley-Horn Associate (KHA) was required to redesign specifications which utilized the originally approved contingency (RTC No. 16-0749). To continue to utilize KHA to provide design and construction support services for this project, staff recommends an additional \$10,000 contingency, approximately 5% of the total contract value, to be approved. A contingency that is approved by Council is not reflected in the Consultant Services Agreement so an amendment is not necessary. A plan to bridge the difference between needed funds and actual budget is outlined in the Fiscal Impact section below.

FISCAL IMPACT

Total funding in the amount of \$1,134,354 is necessary to fund the contract award, 10% construction contingency, and an additional \$10,000 to increase the design contingency for any unforeseen design work during construction. Available funding of \$653,533 is allocated in Project 831120 (Maude Ave Streetscape). The City has received additional OBAG funding to help offset some of the additional cost. The remaining amount will be funded by Project 825290 (Pavement Rehabilitation). These funds will pay for the pavement improvement costs beyond the available grant funds.

Budget Modification No. 20 has been prepared to appropriate additional grant funds awarded by OBAG in the amount of 222,865.

**Budget Modification No. 20
FY 2018/19**

	Current	Increase/ (Decrease)	Revised
Capital Projects Fund			
<u>Revenues</u>			
Intergovernmental Revenue	\$695,200	\$222,865	\$918,065
Department of Transportation (OBAG)			
<u>Expenditures</u>			
Project 831120 - Maude Ave	\$653,533	\$222,865	\$876,398
Streetscape			

PUBLIC CONTACT

Public outreach was conducted in early 2016. The results of the public outreach were provided in RTC 16-0357, (Attachment 3), and Council proceeded to authorize moving forward with three actions: 1) Removal all on-street parking and install bike lanes from Fair Oaks Avenue to Borregas Avenue, 2) Test/pilot improvements on westbound Maude Avenue at the Mathilda/Maude intersection, and 3) Proceed with pedestrian improvements. The second item is completed, and this project will complete the first and third items.

Public contact for this project 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) Take the following actions:

- Make a finding of a California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines Section 15301(a)
- Award a contract in substantially the same form as Attachment 2 to the report in the amount of \$1,022,140.10 to Redgwick Construction Company of Oakland for the Maude Avenue Bikeway and Streetscapes Re-Bid
- Authorize the City Manager to execute the contract when all necessary conditions have been met
- Approve a 10% construction contingency in the amount of \$102,214
- Approve Budget Modification No. 20 to appropriate an additional \$222,865 in grant funds from the Department of Transportation -One Bay Area Grant
- Approve a \$10,000 increase to the contingency for design and construction support services for Kimley-Horn and Associates.

2) Do Not Award the Contract

RECOMMENDATION

Alternative 1: Take the following actions:

- Make a finding of a California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines Section 15301(a)
- Award a contract in substantially the same form as Attachment 2 to the report in the amount of \$1,022,140.10 to Redgwick Construction Company of Oakland for the Maude Avenue Bikeway and Streetscapes Re-Bid
- Authorize the City Manager to execute the contract when all necessary conditions have been met
- Approve a 10% construction contingency in the amount of \$102,214
- Approve Budget Modification No. 20 to appropriate an additional in \$222,865 grant funds from the Department of Transportation -One Bay Area Grant
- Approve a \$10,000 increase to the contingency for design and construction support services for Kimley-Horn and Associates.

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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
3. RTC 16-0357