



Agenda Report

19-1583

Agenda Date: 2/19/2019

REPORT TO COUNCIL

SUBJECT

Action on Award of Contract for the Lafayette Street Signal Timing Project and Related Budget Amendment

BACKGROUND

On January 10, 2017, City Council approved and authorized the City Manager to execute a Congestion Management Program Transportation Fund for Clean Air Agreement with the Santa Clara Valley Transportation Authority for a grant amount of \$210,000 for the Lafayette Street Signal Timing Project. To support the grant application, the City offered local match funding of \$540,000 for the Project, resulting in a total project budget of \$750,000. In May 2018, the City contracted with Kimley-Horn and Associates to perform the design work for the Project and on December 24, 2018, the Project was advertised for public bid.

This Project is designed to improve signal timing, vehicle progression, and travel times for vehicles and transit along these corridors while reducing vehicle emissions and allowing for remote monitoring of traffic signals. Specifically, the Project will upgrade traffic signal controller equipment, install traffic signal communications utilizing fiber optic cables and conduits, and implement traffic signal coordination timing on these corridors. The Project boundary includes Lafayette Street from Lewis Street to Washington Street and Newhall Street, as seen in the Project Location Map (Attachment 1).

DISCUSSION

On January 16, 2019, bids were opened for construction of the Project. Three (3) bids were received ranging from \$772,856 to \$966,000. The Bid Summary is included as Attachment 2.

The lowest bid in the amount of \$772,856 submitted by Daleo Inc., is approximately 43% above the Engineer's Estimate of \$539,150. The bids were prepared in a competitive environment with multiple contractors bidding for the project; therefore, the bid prices reflect the current market condition in the Bay Area. While the bids are higher than the Engineer's Estimate, staff recommends awarding the contract as there is no guarantee that re-bidding the Project in the current economic climate would produce a substantially lower bid result.

Daleo Inc. was reviewed for compliance under the terms and conditions of the Project Contract Documents, and has been determined to be the lowest responsive and responsible bidder. The Project is scheduled for completion by summer of 2019.

ENVIRONMENTAL REVIEW

The Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Section 15301(c) Existing Facilities, as the activity consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing highways and streets,

sidewalks, gutters, bicycle and pedestrian trails, and similar facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

FISCAL IMPACT

The Lafayette Street Signal Timing Project (533-1390) was funded at \$750,000. However, the cost of the contract is \$772,856, plus approximately 10% contingency of \$77,285 for a total not-to-exceed amount of \$850,141. Further, in May 2018, the City executed the design contract with Kimley-Horn and Associates, Inc. for the not-to-exceed amount of \$55,250. Due to grant funding deadlines, the City procured \$270,102 in traffic signal equipment in advance to ensure successful schedule completion. Finally, bid and advertisement costs are \$3,500. This results in a total project cost of \$1,178,993 with a funding need of approximately \$428,993.

Therefore, in order to complete the project, staff recommends an additional appropriation of \$429,000. The additional funding need of \$429,000 is available in the City's CIP Replacement of Traffic Signals in ECR-Lafayette St.-Newhall St.-Scott Blvd. Area (533-1224). While the Lafayette Street Signal Timing Project supports and implements a portion of the improvements generally described in existing CIP project, the proposed shift in funds will reduce the scope of the Replacement of Traffic Signals in ECR-Lafayette St.-Newhall St.-Scott Blvd. Area Project. Staff intends to augment the existing CIP project with upcoming grant funding opportunities.

BUDGET AMENDMENT **FY 2018/19**

| Streets and Highways Fund (533) | Current | Increase/ (Decrease) | Revised |
|---|----------------|---------------------------------|----------------|
| <u>Expenditures</u> Lafayette Street Signal Timing Project (533-1390) | \$750,000 | \$429,000 | \$1,179,000 |
| Replacement of Traffic Signals in ECR-Lafayette St.-Newhall St.-Scott Blvd. Area Project (533-1224) | \$1,720,000 | (\$429,000) | \$1,291,000 |

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Award the Public Works Contract for the Lafayette Street Signal Timing Project (CE 17-18-15) to the lowest and responsive bidder, Daleo, Inc., in the amount of \$772,856, and authorize the City

Manager to execute all documents associated with and necessary for the award, completion and acceptance of the Project;

2. Authorize the City Manager to execute change orders up to 10% of the original contract price, or \$77,285, for a total not-to-exceed amount of \$850,141; and
3. Approve the budget amendment transferring \$429,000 from Street and Highways Funds - Replacement of Traffic Signals in ECR-Lafayette St.-Newhall St.-Scott Blvd. Area (533-1224) to the Lafayette Street Signal Timing Project.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Project Location Map
2. Bid Summary