



COUNCIL DATE: 06/12/18
FILE: 18-821
ITEM: 6.2

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim Ortbal
Margaret McCahan

SUBJECT: US 101/BLOSSOM HILL ROAD
INTERCHANGE IMPROVEMENT
PROJECT

DATE: May 29, 2018

Approved

D. DSYL

Date

5/31/18

COUNCIL DISTRICT: 2

RECOMMENDATION

- (a) Approve the First Amendment to the agreement between the City of San José and HMH Engineers for consultant services for the US 101/Blossom Hill Road Interchange Improvement project to increase the maximum total amount of compensation in the amount of \$3,778,600 from \$1,585,100 to \$5,363,700, expand the scope of services related to final design, bid, award, and construction support, and extend the term of the agreement from June 30, 2018 to December 31, 2021.
- (b) Adopt the following 2017-2018 Funding Source Resolution and Appropriation Ordinance amendments in the Building and Structure Construction Tax Fund:
 - (1) Establish an estimate for Other Revenue in the amount of \$4,061,334; and,
 - (2) Increase the Route 101/Blossom Hill Road Interchange appropriation in the amount of \$4,061,334.

OUTCOME

Approval of the amendment for the services related to final design, bid, award and construction support will lead to the construction of the US 101/Blossom Hill Road Interchange Improvements in accordance with the Edenvale Area Development Policy. The work enabled by this agreement amendment will complete final design plans and develop the project to a state of "construction bid ready" that increases its competitiveness for regional funding opportunities. The recommended appropriation actions will provide sufficient funds to be encumbered to cover the full cost of the agreement.

BACKGROUND

In June 2000, the City adopted the Edenvale Area Development Policy (EADP) to facilitate industrial development in the Edenvale area in south San José. In 2007 and 2014, the Policy was

updated to expand the geographic area, address traffic congestion, and improve connectivity for bicyclists and pedestrians between transit facilities on the west side of US 101 and Coyote Creek Trail on the east side of US 101.

Attachment A includes a map of the EADP area and location of the US 101/Blossom Hill Road Interchange Improvement Project (Project). This Project provides the required infrastructure improvement in the EADP to improve traffic operations along Blossom Hill Road and to add a Class I bicycle/pedestrian path north of the Blossom Hill Road overcrossing. Attachment B provides a schematic of the proposed improvements.

Because the project is within Caltrans right-of-way, the project development phases are required to follow Caltrans Project Development and Procedures Manual for preliminary engineering design and environmental clearance.

Following a competitive RFP process, the City entered into an agreement with HMM Engineers on December 1, 2015, to provide engineering consultant services for Phase 1 of the planning and design for the Project in the amount of \$1,585,100 and for a term from the date of full execution to June 30, 2018. Phase 1 of the HMM contract follows Caltrans project development requirements and includes planning, analysis, technical reports and document preparation necessary for a Caltrans Project Initiation Document (PID), Project Approval and Environmental Document (PA&ED), public outreach, and preliminary engineering (30% Plans, Specifications, and Cost Estimates - PS&E). In addition, the December 1, 2015 Council approval described the intention to amend the agreement with HMM to include additional compensation and time for Phase 2 work if funding becomes available. Funding for Phase 2 is secured and the amendment for Phase 2 is the subject of this memorandum.

ANALYSIS

Phase 1 of the project is nearing completion with the approval of the Environmental Document, a Categorical Exemption/Categorical Exclusion under California Environmental Quality Act/National Environmental Policy Act, on February 20, 2018 and the final project approval from Caltrans in May 2018.

Phase 2 includes the development of final construction documents, including 60%, 90%, and bid-ready PS&E, right-of-way engineering, assistance with the bid and award process, and providing engineering support during construction. The development of the final construction documents involves performing surveys, providing utility coordination, preparing geotechnical and design reports, developing plans, specifications, and construction cost estimates. HMM will also provide engineering services to support the bidding and construction phase of the project such as providing responses to questions regarding the bid documents and/or clarifications to the plans and specifications during construction.

It is estimated that the final design will be completed in fall 2019 with construction to start Winter 2019 and complete by spring 2021, dependent on funding. The proposed amendment to

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the agreement for Phase 2 work will increase the compensation for services from \$1,585,100 to an amount not exceed \$5,363,700. The term of the proposed amended agreement extends the agreement through December 31, 2021. The City will have the option to extend the term for an additional six months at no additional cost.

As part of the iStar development requirements for mitigation, the developer made a fair-share contribution (\$6,000,000) towards the EADP improvements at US 101/ Blossom Hill Road. The contribution has been separated into three phases (\$2,000,000 per phase), which shall be paid prior to construction of each phase. Currently, the City has collected for phases 1 and 2, in the total amount of \$4,061,334, inclusive of interest earned, which will be recognized and allocated to the project with City Council approval of the recommended actions.

With funding identified and available, staff's recommendation is to amend the agreement to include Phase 2 as part of HMM Engineers' project work scope.

EVALUATION AND FOLLOW-UP

At the conclusion of the final design phase, which is anticipated in fall 2019, staff will return to Council with an update on efforts to secure funding for the construction phase. It is anticipated that funding for the construction contract would be provided by the 2016 VTA Measure B funds.

In addition, the status of the US 101/Blossom Hill Road project will be reported periodically through the Transportation and Environmental Committee as part of the regular Regional Transportation Activities Reports.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 12, 2018, City Council Agenda.

COORDINATION

This memorandum and agreement have been coordinated with the Finance Department, the Department of Planning, Building and Code Enforcement, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The agreement with HMH Engineers has been developed in accordance with the Council adopted consultant selection process and the Local Business and Small Business Preference Ordinance. The project is consistent with multiple City policy documents including the Envision 2040 General Plan and the Edenvale Area Development Policy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$3,778,600
2. SOURCE OF FUNDING: 429 - Building and Structure Construction Tax Fund
599 - Improvement District Fund
3. FISCAL IMPACT: The recommended action is consistent with the City’s economic development strategy to promote development in the Edenvale Area Development Policy. Approval of the recommendation will have no significant adverse impact on the General Fund.

BUDGET REFERENCE

The following table identifies the fund and appropriation proposed to fund the recommended increase in the project as part of this memorandum:

Fund #	Appn #	Appn. Name	Total Appn	Budget Action	Amt. for Contract	2017-2018 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
429	R130	Other Revenue	\$0	\$4,061,334	N/A	N/A	N/A
429	7691	Route 101/Blossom Hill Road Interchange	\$3,019,000	\$4,061,334	\$3,110,600	976	06/20/2017 Ord. No. 29962
599	7691	Route 101/Blossom Hill Road Interchange	\$770,000	N/A	\$668,000	976	10/17/2017 Ord. No. 30014

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CEQA

Categorically Exempt, File No. PP18-053, CEQA Guidelines 15301, Existing Facilities

/s/
JIM ORTBAL
Director of Transportation


MARGARET MCCAHAN
Budget Director

I hereby certify that there will available for appropriation in the Building and Structure Construction Tax Fund in Fiscal Year 2017-2018 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$4,061,334.


MARGARET MCCAHAN
Budget Director

For questions please contact John Ristow, Deputy Director of Planning and Project Delivery at (408) 973-6942.

Attachment A
Attachment B



