



COUNCIL AGENDA: 2/5/2019

FILE: 18-1858

ITEM: 3.4

## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Cano  
John Ristow  
Margaret McCahan

**SUBJECT:** SEE BELOW

**DATE:** January 24, 2019

Approved

*D. DSYL*

Date

*1/24/19*

**COUNCIL DISTRICTS: 3 & 7**

**SUBJECT: AWARD OF CONTRACT FOR THE 7786 - ALMADEN-VINE SAFETY IMPROVEMENT PROJECT (BETWEEN GRANT STREET AND W. ALMA AVENUE), FEDERAL PROJECT NO. CML-5005(142)**

### RECOMMENDATION

- (a) Report on bids and award of contract for the 7786 – Almaden-Vine Safety Improvement Project to the low bidder, JJR Construction, Inc., for the base bid and the Add Alternate No. 1 in the total amount of \$1,324,156.
- (b) Approve a 10% contingency in the amount of \$132,416.
- (c) Adopt the following 2018-2019 Appropriation Ordinance amendments in the Construction Excise Tax Fund:
  - (1) Increase the Almaden/Vine Downtown Couplet (OBAG) appropriation to the Transportation Department in the amount of \$90,000; and
  - (2) Decrease the Ending Fund Balance by \$90,000.

### OUTCOME

Award of the construction contract to JJR Construction, Inc. will enable the Almaden-Vine Safety Improvement Project to proceed. Approval of the 10% contingency will provide funding for unanticipated work necessary for the proper completion of the project. Adoption of the appropriation ordinance and funding sources resolution will provide additional funding needed for construction of this project.

## **BACKGROUND**

The City of San José, Department of Transportation applied to the Valley Transportation Authority (VTA) for a federally funded One Bay Area Grant (OBAG) for the Almaden-Vine Safety Improvement Project. OBAG is administered by the Metropolitan Transportation Commission (MTC) through VTA as the county congestion management agency. The total amount approved through OBAG was \$1,500,000. On July 4, 2018, Caltrans approved the City's Request for Authorization to Proceed (E-76), which is required in order for the City to begin any reimbursable work on the project.

The Almaden-Vine Safety Improvement Project implements pedestrian-oriented improvements along Almaden Avenue and Vine Street between Grant Street and West Alma Avenue (see attached map). This project will provide better connectivity and a safer walking corridor to and from nearby bus transit, schools, residential neighborhoods, and businesses.

The project scope includes installation of new high-visibility crosswalks, detached bulb-outs, and ADA compliant curb ramps with truncated domes. This project also includes the repairs of the existing sidewalk and replacements of streetlight luminaires along the project corridor. This combination of dedicated pedestrian infrastructure enhancements and installation of modern, high-efficiency street lighting will provide a higher level of pedestrian safety and walkability, especially at night and during inclement weather.

In addition to the base bid scope of work, there were two Add Alternates, which include additional sidewalk and curb and gutter repairs along the project corridor.

Construction is scheduled to begin in June 2019 with completion expected in November 2019.

## **ANALYSIS**

In addition to the base bid scope of work, there are two Add Alternates as follows:

**Add Alternate No. 1:** Additional existing sidewalk removal and replacement along Almaden Avenue and Vine Street, between Grant Street and W. Alma Avenue.

**Add Alternate No. 2:** Additional existing curb and gutter removal and replacement along Almaden Avenue and Vine Street, between Grant Street and W. Alma Avenue.

On November 15, 2018, the City of San José received a total of 4 bids with the following results:

**Base Bid and Total Add-Alternate Bids**

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alternate Total</u>	<u>Total Bid</u>	<u>Base Bid Variance Amount</u>	<u>Over/ (Under) Percent</u>
<b>Engineer's Estimate</b>	<b>\$ 1,004,000</b>	<b>\$ 528,350</b>	<b>\$ 1,532,350</b>	---	---
JJR Construction, Inc. (San Mateo)	1,076,855.50	359,422.00	1,436,277.50	\$ 72,855.50	7%
Golden Bay Construction, Inc. (Hayward)	1,166,787.00	401,230.00	1,568,017.00	162,787.00	16%
FBD Vanguard Construction, Inc. (Livermore)	1,355,766.00	511,060.00	1,866,826.00	351,766.00	35%
Wattis Construction Company, Inc. (San Jose)	1,409,755.00	460,683.00	1,870,438.00	405,755.00	40%

**Add Alternates**

<u>Contractor</u>	<u>Add Alternate No. 1</u>	<u>Add Alternate No. 2</u>
<b>Engineer's Estimate</b>	<b>\$ 360,000</b>	<b>\$ 168,350</b>
JJR Construction, Inc. (San Mateo)	247,300.00	112,122.00
Golden Bay Construction, Inc. (Hayward)	253,500.00	147,730.00
FBD Vanguard Construction, Inc. (Livermore)	339,600.00	171,460.00
Wattis Construction Company, Inc. (San Jose)	322,300.00	138,383.00

To determine the bid amounts for each bidder, the Project Specifications requires adding the cost of the Add Alternate Bids to the base bid in ascending numerical sequence until a total is reached to which no further Add Alternate Bid may be added without exceeding the specified amount of \$1,050,000.00.

The low bid is the one that includes the greatest number of Add Alternate Bids, or that offers an equal number of Add Alternate Bids for the lowest price. If the addition of the first Add Alternate Bid to the base bid results in a number greater than the specified amount of \$1,050,000.00, the low bid will be determined by the base bid amount alone.

Per the above methodology, the low bid submitted by JJR Construction, Inc. is \$1,076,855.50. The low bid is seven percent above the Engineer's Estimate. The bid is considered acceptable for the work involved in the project.

Because of limited available budget, staff recommends including only Add Alternate No. 1, which when added to the base bid, results in a construction contract for \$1,324,156.00.

JJR Construction Inc. has been in the construction business for over 25 years, and has done numerous roadway and sidewalk improvement projects for public agencies in California, including VTA, County of Santa Clara, City of San José, and several other cities and counties in

northern California. Currently, they have several roadway projects with contract values ranging from \$84,000 to more than \$3,000,000.

Council Policy provides for a standard contingency of 5% for street and sidewalk projects. Since this project is located within a highly sensitive, subsurface archeological area, staff is requesting a 10% contingency for this project to account for unforeseen conditions.

#### DBE Program Requirements

As a recipient of federal highway funds, the City of San José must comply with the requirements of Title 49 CFR 26 entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs" (DBE Program). The primary objective of the DBE Program is to provide small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded transportation contracts.

Under the DBE Program, a contractor bidding on a federally-funded transportation project must document one of the following to be eligible for award of the construction contract:

1. That it has sufficient commitments for participation by "disadvantaged business enterprises" to meet a pre-established goal for the specific contract (DBE goal); or
2. If it does not have sufficient commitments to meet the DBE Goal that it made "good faith efforts" to achieve the goal by taking all "necessary and reasonable steps" to do so.

In accordance with the Federal Regulations, 49 CFR Part 26, a DBE goal of 11% was established for this project. JJR Construction Inc. exceeded the 11% DBE goal and committed to \$174,080 or 16% DBE participation.

As a result of the evaluation of bids and DBE Program Requirements, staff recommends the award of contract to JJR Construction Inc. in the total amount of \$1,324,156 which includes \$1,076,856 for the base bid and \$247,300 for Add Alternate No. 1.

#### **Project Labor Agreement Applicability**

A project labor agreement (PLA) is not applicable to this project as the engineer's estimate is under \$3,000,000.

#### **Local and Small Business Outreach**

The recommended contractor is a small business located in San Mateo, California. In order to facilitate small and local business participation on this project, the following actions were taken: (1) During the design, the project engineers separated the following items for subcontracting opportunities: street clean-up, pavement improvement, sidewalk improvement, storm drain facilities improvement, traffic signage and striping work, and electrical work in order to facilitate

the ability for more local contractors to bid on the project; and (2) procurement staff outreached to 2,300 suppliers through BidSync with 400 of them identified as local.

### **EVALUATION AND FOLLOW-UP**

No additional follow up action with the City Council is expected.

### **PUBLIC OUTREACH**

To solicit contractors, this project was listed on BidSync and advertised in *San Jose Post Record*. The complete bid package and project information for all Department of Public Works construction projects are available on BidSync for interested contractors, contractor organizations, and builders' exchanges.

During the project development phase, DOT staff held a community meeting on April 5, 2016, and October 13, 2016, to present information about the project and solicit feedback. Additionally, DOT staff have coordinated this project with the affected property owners and surrounding businesses on several occasions.

Staff and the contractor will continue public outreach to the affected neighborhoods and businesses prior to and during construction.

This memorandum will be posted on the City's website for the February 5, 2019, City Council Agenda.

### **COORDINATION**

This project memorandum has been coordinated with the City Attorney's Office and the Planning, Building and Code Enforcement Department.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **FISCAL/POLICY ALIGNMENT**

The project also aligns with the Transportation and Aviation Services CSA outcomes to provide viable transportation choices that promote a strong economy and to provide a transportation system that enhances community livability.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$ 898,000*
Construction	1,324,156
Contingency	132,416
<b>TOTAL PROJECT COSTS</b>	<b><u>\$2,354,572</u></b>
Prior Cost Expenditures (thru June 2018)	(466,684)
<b>REMAINING PROJECT COSTS</b>	<b>\$ 1,887,888</b>

\* Project Delivery includes \$639,000 for Design Services and \$259,000 for Construction Management and Inspection Services.

2. COST ELEMENTS OF CONTRACT:

Traffic Control and Water Pollution Control	\$ 18,600
Water Pollution Control	51,500
Storm Drain Facilities	163,420
Concrete Work	367,863
Asphalt Concrete Pavement	45,200
Traffic Signage and Striping Work	377,458
Electrical Work	52,815
Add Alternate 1 (Sidewalk Repair)	247,300
<b>TOTAL AGREEMENT/CONTRACT AMOUNT</b>	<b><u>\$1,324,156</u></b>

3. SOURCE OF FUNDING: 465 - Construction Excise Tax Fund.

4. FISCAL IMPACT: The operating and maintenance costs of this project is estimated to be \$10,000 and will be factored into the 2020-2024 Five-Year Forecast and 2019-2020 budget process.

**BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum.

## HONORABLE MAYOR AND CITY COUNCIL

January 24, 2019

**Subject: 7786 – Almaden-Vine Safety Improvement Project**

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Fund #	Appn #	Appn. Name	Current Total Appn	Rec. Budget Action	Amt. for Contract	2018-2019 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	7685	Almaden/Vine Downtown Couplet (OBAG)	\$1,348,000	\$90,000	\$784,156	V-830	10/16/2018, 30172
465	407Z	Pavement Maintenance – Complete Street Project Development*	\$2,585,000		\$450,000	V-883	10/16/2018, 30172
465	8999	Ending Fund Balance	\$10,939,997	(\$90,000)		V-825	10/16/2018, 30172

\*The Pavement Maintenance – Complete Street Project Development appropriation will fund \$450,000 of the contract costs. These funds are being used to supplement the complete street improvements work along Almaden Avenue and Vine Street between I-280 and Alma Avenue.

**CEQA**

Categorically Exempt, CEQA Guidelines Section 15301(c), Existing Facilities, File No. PP18-029.

/s/

MATT CANO

Director of Public Works

/s/

JOHN RISTOW

Acting Director of Transportation



MARGARET MCCAHAHAN

Budget Director

For questions, please contact Michael O'Connell, Deputy Director, Public Works Department, at (408) 535-8300.

Attachment: Location Map

