



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch  
John Ristow

**SUBJECT:** See Below

**DATE:** April 7, 2025

Approved

Date:

4/15/25

**COUNCIL DISTRICT: 3**

**SUBJECT: Delegation of Authority to Award 9812 – Better Bikeway San José – San Fernando Corridor – Re-Bid Project**

## **RECOMMENDATION**

Adopt a resolution authorizing the Director of Public Works or his designee to:

- (a) Award and execute a contract for the construction of 9812 - Better Bikeway San José - San Fernando Corridor – Re-Bid Project to the lowest responsive, responsible bidder in the amount not to exceed \$9,900,000;
- (b) Decide any timely bid protest(s) and make the City's final determination as to the lowest responsive bidder that is responsible as needed to award the contract; and
- (c) Approve a contingency of up to 10% of the contract amount.

## **SUMMARY AND OUTCOME**

The 9812 – Better Bikeway San José – San Fernando Corridor – Re-Bid Project (Project) is funded by the Active Transportation Program.

Approval of the resolution authorizing the Director of Public Works to award and execute this contract will expedite the contract award process and construction start for the Project. Approval of the 10% contingency will provide funding for unanticipated work that may be necessary for the proper construction or completion of the Project.

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## **BACKGROUND**

On July 24, 2018, the City of San José Department of Transportation submitted a grant application to California and the Metropolitan Transportation Commission's Active Transportation Program for San Fernando Street. The Project was awarded \$9,992,000 for the environmental, design, and construction of various civil, landscape, irrigation, and traffic signal improvements. The Project is located along San Fernando Street, from Market Street to 11th Street (Attachment – Location Map – Better Bikeway San José – San Fernando Corridor).

The Project was originally advertised in December 2024. Seven bids were received with a bid variance between +1% and +19% above the Engineer's Estimate. The Project was advertised to include the City's Project Labor Agreement. However, to date, the federal granting agency has not given the City written approval to apply the City's Project Labor Agreement to the project. In addition, upon issuing the Notice of Intent to Award the construction contract, the City received three written protests. On April 1, 2025, the Director of Public Works rejected all bids. The Project will be re-bid once the federal granting agency has provided clear direction on Project Labor Agreement (PLA) applicability.

Construction is anticipated to start in late summer to early fall 2025, with completion expected in December 2026.

## **ANALYSIS**

Authorizing the Director of Public Works to award and execute the contract will reduce the Project schedule by approximately six weeks, facilitating an earlier construction start. This allows the City to take advantage of the summer break for San Jose State University, minimizing the impacts to faculty and students by starting construction while the University has limited attendance. Additionally, starting in early 2026, the City is anticipating a surge of activity associated with the upcoming events in downtown San José in 2026, such as the Super Bowl LX on February 8, 2026 and the World Cup soccer festivities from June 11 to July 19, 2026. The time savings associated with the delegation of authority is necessary to facilitate the Project proceeding to construction as quickly as possible.

### *Contingency*

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this project.

*Wage Theft Prevention Policy Check*

The Office of Equality Assurance will review bidders for compliance with the City's Wage Theft Prevention Policy before awarding the Project.

*Project Labor Agreement Applicability*

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is over \$1.21 million. Since the City's PLA is not a requirement from the federal granting agency, the City's Public Works Director sent a letter to Caltrans and Federal Highway Administration on October 28, 2024, seeking approval for inclusion of the City's PLA to the Project but has not yet heard back, approving the use of the PLA with this Project. The City will continue to work with Caltrans and Federal Highway Administration to obtain approval for inclusion of the City's PLA to the Project. However, if the federal granting agency rejects or does not approve the use of PLA in a timely fashion, the PLA will not be applicable to this Project, as allowed by Article 2.4.11 of the PLA.

**EVALUATION AND FOLLOW-UP**

No additional follow up action with City Council is expected at this time.

**COST SUMMARY/IMPLICATIONS**

Operation and maintenance costs associated with the Project are allocated in the Department of Transportation's Operating Budget. The source of funding for this Project is the Building and Structure Construction Tax Fund, which includes the aforementioned Active Transportation Program grant.

1. ESTIMATE COST OF PROJECT:

Project Delivery*	\$ 4,617,581
Construction	9,900,000
Contingency	990,000
<b>TOTAL PROJECT COSTS</b>	<b>\$15,507,581</b>
Prior Year's Expenditures	2,308,508
<b>ESTIMATE REMAINING PROJECT COSTS</b>	<b>\$13,199,073</b>

\* Project delivery includes \$2,347,105 for planning and design services and \$2,270,477 for construction management, inspection services, survey, materials lab services, utilities, and project closeout.

**2. COST ELEMENTS OF ENGINEER'S ESTIMATE:**

Mobilization	\$ 525,000
Traffic Control	1,370,000
Demolition	400,000
Landscape Improvements	535,000
Civil Improvements	3,000,000
Traffic Signal Improvements	2,600,000
Sewer Improvements	1,470,000
<b>TOTAL ENGINEER'S ESTIMATE</b>	<b>\$9,900,000</b>

**BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amt. for Contract	2024-2025 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
429	417G*	ATP-Better Bikeways San Fernando	\$7,485,000	\$9,900,000	895	10/22/2024 Ord. No. 31133

\* During the 2026-2030 Proposed Capital Improvement Program, the San Fernando Street Two-Way Class IV Bikeway appropriation (A428Z) has been reallocated to the Better Bikeways San Fernando Appropriation (A417G). Subject to the appropriation of funds (\$2,421,000) to be approved by City Council.

**COORDINATION**

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

**PUBLIC OUTREACH**

During the Project preliminary phase, the Department of Transportation staff held a community meeting to present information about the Project to the public and solicit feedback. City staff also informed business owners regarding proposed driveway closures through verbal and written correspondence. Additionally, staff published the

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Project's information on its webpage to continue informing the community about project progress.

Staff and the contractor will conduct additional outreach to the affected neighborhoods and businesses before the start of and during construction.

This memorandum will be posted on the City's Council Agenda website for the April 29, 2025 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Categorically Exempt, File No. ER24-313, CEQA Guidelines Section 15301, Existing Facilities.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/  
MATT LOESCH  
Director of Public Works

/s/  
JOHN RISTOW  
Director of Transportation

For questions, please contact Mathew Nguyen, Public Works Deputy Director, at [Mathew.Nguyen@sanjoseca.gov](mailto:Mathew.Nguyen@sanjoseca.gov) or Jessica Zenk, Transportation Deputy Director, at [Jessica.Zenk@sanjoseca.gov](mailto:Jessica.Zenk@sanjoseca.gov).

### **ATTACHMENT**

Location Map - Better Bikeway San José - San Fernando Corridor.

# 9812 - BETTER BIKEWAY SAN JOSE - SAN FERNANDO CORRIDOR FEDERAL PROJECT NO. ATPL-5005 (161) (SOUTH MARKET STREET TO SOUTH 10TH STREET)



**LOCATION MAP**  
NOT TO SCALE

