



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
John Ristow

SUBJECT: SEE BELOW

DATE: September 12, 2022

Approved

Date

9/20/22

COUNCIL DISTRICTS: 3 & 5

**SUBJECT: CITY INITIATIVES ROADMAP - VISION ZERO TRAFFIC SAFETY:
AWARD OF CONTRACT FOR THE 8511-MCKEE ROAD VISION ZERO
SAFETY IMPROVEMENTS PROJECT BETWEEN NORTH 33RD STREET
AND TOYON AVENUE , FEDERAL PROJECT NO. STPL-5005(154).**

RECOMMENDATION

- (a) Report on bids and award of contract for the 8511 – McKee Road Vision Zero Safety Improvements Project to the lowest responsive bidder, Joseph J. Albanese, Inc., in the total amount of \$6,935,166.
- (b) Approve a 10% contingency in the amount of \$693,517.

OUTCOME

Award of the construction contract will provide for the installation of various traffic safety measures and pavement maintenance where needed on McKee Road. Approval of the 10% contingency will provide funding for unanticipated work that may be necessary for the proper completion of the project.

BACKGROUND

In July 2016, the City of San José Department of Transportation submitted a grant application to the Santa Clara Valley Transportation Authority's One Bay Area Grant Complete Streets Competitive Program for the McKee Road Vision Zero Corridor. McKee Road is a major arterial with one of the highest frequencies of fatal and severe injuries in the City. The One Bay Area Grant application was successful, and the awarded grant funding will implement safety measures to help reduce vehicle speeds and minimize vehicle conflicts with pedestrians and bicyclists by increasing awareness and visibility of these vulnerable populations. When completed, this

project will create a safe, inviting, and attractive corridor on McKee Road for pedestrians and bicyclists alike between Route 101 and Toyon Avenue. The total amount approved through the One Bay Area Grant was \$8,623,000 for the design and construction phases. On February 11, 2022, the California Department of Transportation approved the City's Request for Authorization (E-76) to proceed into the construction phase.

The project will include the installation and enhancement of new and existing bike lanes, new standard and raised crosswalks, new Americans with Disabilities Act curb ramps, enhancement of existing crosswalks, construction of raised median islands, installation of pedestrian median fencing, modification of right-turn slip-lanes, and reduction of corner radii at intersections. The project will also include pavement maintenance and associated striping. Construction is scheduled to start in January 2023, with completion expected in August 2023.

ANALYSIS

On July 7, 2022, a total of four bids were received with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$6,008,891	--	--
Joseph J. Albanese, Inc. (Santa Clara, CA)	\$6,935,166	\$926,275	15%
FBD Vanguard Construction, Inc. (Livermore, CA)	\$7,857,856	\$1,848,965	31%
Redgwick Construction Co. (Oakland, CA)	\$7,882,645	\$1,873,754	31%
QLM, Inc. (San José, CA)	\$9,705,926	\$3,697,035	62%

QLM, Inc.'s bid was deemed non-responsive due to the bidder's failure to provide specific project experience information requested by the City.

Joseph J. Albanese, Inc. submitted the lowest responsive bid for \$6,935,166, which is 15% over the Engineer's Estimate. The bid is considered acceptable for the work involved in the project. While the Engineer's Estimate has taken into account the increase in construction costs and inflation observed over the past few years, staff underestimated the administration cost and markups associated with long lead time and high demand for electrical equipment and materials which contributed to over 90% of the cost variation for electrical-related bid items.

Joseph J. Albanese, Inc. has completed projects for the City of San José, including the Sierra Road Slide Repair Project. It has also completed projects with a similar scope for other agencies in the Bay Area, such as the Stanford Perimeter Trail Project in Palo Alto. San José Municipal Code Section 27.04.050 provides that the contingency for all public works contracts (except those involving the renovation of a building or buildings) cannot exceed 10% of the total

contract amount. Staff recommends a 10% contingency, which should be sufficient to account for unforeseen conditions during construction.

Local and Small Business Outreach

Procurement staff used Biddingo to outreach to local and small business enterprises. Chapter 4.12 of the San José Municipal Code defines a “local business enterprise” as one with a legitimate business presence in Santa Clara County and “small business enterprise” as a local business enterprise with 35 or fewer employees. Procurement staff sent bid invitations to 12,899 vendors, and documents were downloaded by 34 vendors, approximately five of which were located within Santa Clara County and therefore local. The recommended contractor is a local business enterprise. In addition, Bear Electrical, Graniterock, Lonestar Landscape, and Pipe-Net are listed as subcontractors. These four subcontractors are local business enterprises and will collectively perform an estimated \$3,392,069 in work for the project.

Project Labor Agreement Applicability

The Director of Public Works determined that a Project Labor Agreement will be used for this project because the Engineer’s Estimate was more than \$1,200,000. The Federal Highway Administration also authorized the implementation of a Project Labor Agreement.

DBE Program Requirements

As a recipient of Federal Highway Administration funds, the City must comply with the requirements of Title 49 CFR 26 entitled “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs” (DBE). A DBE goal of 31.6% was established for this project.

Joseph J. Albanese, Inc. committed to \$777,838 (11.21%) DBE participation. Joseph J. Albanese, Inc. did not meet the DBE participation goal set for this project. The City’s Office of Equality Assurance analyzed the contractor’s DBE outreach efforts, including public notifications in trade journals and e-mail/telephone records to over 100 certified DBE firms. The Office of Equality Assurance concluded that the contractor did not meet the DBE goal but did meet “good faith efforts” to meet the DBE goal.

CONCLUSION

As a result of the evaluation of bids and DBE requirements, staff recommends award of the contract to Joseph J. Albanese, Inc. in the total amount of \$6,935,166 and approval of a 10% contingency in the amount of \$693,517.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

During the project design phase, the Department of Transportation staff held a community meeting to present information about the project to the public and solicit feedback. Additionally, department staff published the project's information on its webpage¹, to continue informing the community about the project.

Staff and the contractor will continue public outreach to the affected neighborhoods and businesses before the start of, and during, construction.

This memorandum will be posted on the City's Agenda website for the October 4, 2022 City Council meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

¹ <https://www.sanjoseca.gov/your-government/departments-offices/transportation/projects-planning/mckee-road-safety-project>

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$3,205,158*
Construction	\$ 6,935,166
Contingency	<u>\$ 693,517</u>
TOTAL PROJECT COSTS	\$10,833,841
Prior Cost Expenditures	(\$2,193,215)
REMAINING PROJECT COSTS	\$ 8,640,626

*Project Delivery includes \$2,224,158 for Design Services and \$981,000 for Construction Management and Inspection Services.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Clear and Grub, Permits, Cleanup, and other Misc. Work	\$2,136,288
Concrete Work	\$ 876,544
Electrical Work	\$2,792,525
Paving	\$ 711,602
Traffic Signage and Striping Work	<u>\$ 418,207</u>
TOTAL AGREEMENT/CONTRACT AMOUNT	\$6,935,166

3. SOURCE OF FUNDING: 429 – Building and Structure Construction Tax Fund

4. FISCAL IMPACT: This project's annual operating and maintenance costs are estimated to be \$60,000 and were factored into the 2022-2026 Five Year Forecast and included in the Department of Transportation's operating budget as part of the 2021-2022 budget process. The annual operating costs were included in the 2021-2022 budget process because the initial end date for the project was 2021-2022. The project is now expected to end in 2023-2024.

HONORABLE MAYOR AND CITY COUNCIL

September 12, 2022

Subject: Award of Contract for the 8511-McKee Road Vision Zero Safety Improvements Project (Between North 33rd Street and Toyon Avenue)

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BUDGET REFERENCE

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

Fund #	Appn #	Appn Name	Current Total Appn	Amt. for Contract	2022-2023 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
429	403E	McKee Road Safety Corridor Improvements	\$9,700,000	\$6,935,166	722	06/21/2022, 30790

*The 2022-2023 Adopted Capital Budget was approved on June 14, 2022 and adopted on June 21, 2022 by the City Council.

CEQA

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

/s/

MATT CANO

Director of Public Works

/s/

JOHN RISTOW

Director of Transportation

For questions, please contact Mathew Nguyen, Deputy Director, Public Works Department, at (408) 535-8300.