



DATE: January 24, 2017

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Castro Street Complete Street –
Modification to Castro Street
Between El Camino Real and
Miramonte Avenue, Project 14-36 –
Amend Budget and Award
Construction Contract**

RECOMMENDATION

1. Transfer and appropriate \$280,000 from the Construction/Conveyance Tax Fund to Castro Street Complete Street–Modification to Castro Street Between El Camino Real and Miramonte Avenue, Project 14-36. (Five votes required)
2. Award the construction contract for the Castro Street Complete Street–Modification to Castro Street Between El Camino Real and Miramonte Avenue, Project 14-36, to JJR Construction, Inc., of San Mateo, for the low bid price of \$1,172,018.46.

BACKGROUND

On March 29, 2016, the City Council approved plans and specifications for modifications to Castro Street, between El Camino Real and Miramonte Avenue, and authorized the City Manager to award the construction contract to the lowest responsible bidder if the low bid was within the project budget. The project includes reduction in vehicle lanes from two to one in each direction, buffered bicycle lanes, crosswalk improvements, and a new traffic signal at the intersection of Castro Street and Miramonte Avenue. In May 2016, the City received one bid in the amount of \$1,191,531.55, which exceeded the Engineer’s Estimate. To be compliant with grant requirements, the City was required to perform a bid analysis, make appropriate changes to achieve better bid results, and re-advertise the project for bids because only one bid was received. The City Council rejected the bid and then re-advertised the project in October 2016. On December 8, 2016, the City received five bids ranging from \$1,172,019 to \$1,365,709. The low bid was submitted by JJR Construction, Inc. of San Mateo, California.

ANALYSIS

The bid is higher than the Engineer’s Estimate of \$932,000 by \$240,019. Based on the bid, the estimated project cost is as follows:

	Existing Budget	Proposed Budget
Construction (including contingency)	\$ 932,000	\$1,173,000
Design and Project Management	32,000	32,000
Inspection	<u>50,000</u>	<u>70,000</u>
 Subtotal	 1,014,000	 1,275,000
City Administration (6.5%)	66,000	83,000
TOTAL	<u>\$1,080,000</u>	<u>\$1,358,000</u>
 Shortfall:		 \$ 280,000 (Rounded)

Considering that five bids were received ranging from \$1,172,019 to \$1,365,709, and with the lowest bid approximately \$20,000 lower than the sole bid received and rejected in May 2016 when the project was first advertised, staff considers the low bid to be competitive and a reasonable price for the work. Staff recommends awarding the construction contract to JJR Construction.

If the recommended contract is awarded, construction of the improvements will begin by the end of February 2017.

FISCAL IMPACT

The project is funded with \$840,000 from a Federal Vehicle Emissions Reductions Based at Schools (VERBS) grant, \$110,000 from the Construction/Conveyance (C/C) Tax Fund, and \$130,000 from the Capital Improvement Program (CIP) Reserve Fund, for total funding of \$1,080,000.

The estimated project cost based on the low bid is \$1,358,000, leaving a shortfall of approximately \$280,000. The recommended action would appropriate \$280,000 from the C/C Tax Fund and increase funding to \$1,358,000 to fully fund the project. There is sufficient balance in the C/C Tax Fund to cover the recommended appropriation.

ALTERNATIVES

1. Reject all bids and direct staff to evaluate additional options to redesign the project and rebid the project
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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