



DATE: December 8, 2020

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Shoreline Boulevard Transit Lane and Utility Improvements, Project 18-43 – Amend Project Budget and Award Construction Contract**

RECOMMENDATION

1. Acting in its capacity as Board of Directors of the Shoreline Regional Park Community, transfer and appropriate \$1,197,000 of Shoreline Regional Park Community 2018 Series A Bond Proceeds from Shoreline Boulevard at Highway 101 Bicycle/Pedestrian Bridge, Construction, Project 20-38, to the Shoreline Boulevard Transit Lane and Utility Improvements, Project 18-43.
2. Award the construction contract for the Shoreline Boulevard Transit Lane and Utility Improvements, Project 18-43, to Granite Rock Company for \$14,518,586, and approve an additional construction contingency of \$300,000 for a total not-to-exceed amount of \$14,818,586.

BACKGROUND

Shoreline Boulevard Transit Lane and Utility Improvements, Project 18-43 (Transit Lane) is one of the transportation improvements that resulted from the 2013 Shoreline Regional Park Community Transportation Study (Transportation Study) and the 2014 Shoreline Boulevard Corridor Study (Corridor Study). These studies identified improvements to support aggressive transportation mode-shift targets associated with development in the North Bayshore Precise Plan area.

On September 6, 2016, Council approved the conceptual design for the project and on September 3, 2019, Council approved the mitigation for Heritage tree removal. The Transit Lane project includes a center-running, reversible transit lane on Shoreline Boulevard, between Middlefield Road and Pear Avenue; a protected intersection at Middlefield Road and Shoreline Boulevard; protected bike lanes on Shoreline Boulevard, between Middlefield Road and Terra Bella Avenue; replacement of traffic signals at the five intersections along the project corridor; and new water and sewer mains (see Figure 1 for project limits).

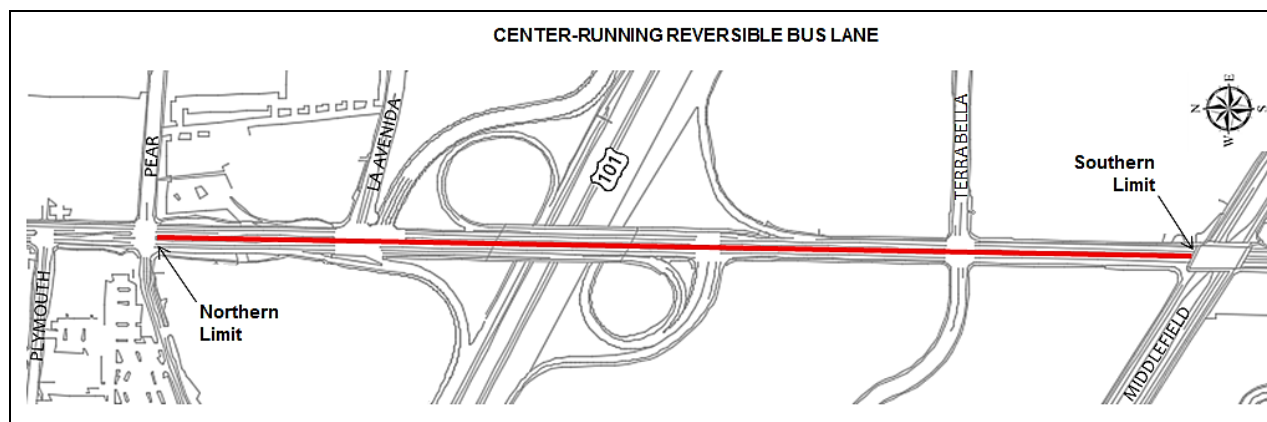


Figure 1: Limits of Shoreline Boulevard Transit Lane

On December 3, 2019, the City Council approved plans and specifications and authorized bidding for the project. Advertising the project for bids was delayed due to new comments from Caltrans that were not made during earlier reviews, new Caltrans requirements that were applied to the project late in the review process, and the impacts of COVID-19.

ANALYSIS

Staff advertised the project on October 9, 2020, and six bids were received on November 10, 2020 (see Table 1).

Table 1: Bid Results

Rank	Contractor	Base Bid Amount	Add Alternate
	Engineer's Estimate	\$12,700,000	\$35,000
1	Granite Rock Company	\$14,482,286	\$36,300
2	Teichert Construction	\$14,736,906	\$36,300
3	O.C. Jones & Sons Inc.	\$17,580,515	\$40,000
4	O'Grady Paving Inc.	\$18,049,189	\$40,000
5	Goodfellow Bros. LLC	\$20,625,665	\$37,000
6	DeSilva Gates Construction	\$20,848,888	\$40,000

The lowest responsive bid is \$14,482,286 from Granite Rock Company, which includes a \$1,200,000 construction contingency.

An analysis of the bids received indicated the low bid deviation from the Engineer's Estimate was primarily attributed to underestimating the cost of roadway and utility improvements. The involvement of multiple disciplines involving underground, surface, and aboveground improvements over a long corridor performed entirely during the night requires multiple construction phases. These factors reduce construction efficiency and productivity, and have direct impacts on cost. It appears that the Engineer's Estimate did not fully capture the impact of these factors in the cost. However, the analysis shows the unit prices for these improvements are similar among the lowest three bids, demonstrating the costs are competitive and reflect current market prices.

If Council authorizes award of the contract, staff will evaluate opportunities to perform work during the day to potentially reduce costs. The success of this strategy will depend on the state of the pandemic and related traffic volumes and associated impacts. While the working hours may be adjusted, this project remains complex and requires managing different construction phases and crews to complete the work. For these reasons, staff does not believe readvertising the project will provide lower bid results and recommends awarding the contract to the low bidder.

The project was advertised with one add-alternate for installation of new adaptive traffic signal equipment at the Pear Avenue and Shoreline Boulevard intersection. Based on the price received of \$36,300, staff recommends including the add-alternate in the contract for the traffic signal equipment instead of relocating and reusing existing equipment. This will avoid potential construction and reconnection issues staff has experienced on similar projects. Staff also recommends increasing the construction contingency from \$1,200,000 to \$1,500,000 to maintain a contingency that is 10 percent of the construction cost. Based on the low bid, add-alternate, and additional contingency, the estimated project cost is as follows:

Base Bid Cost (including \$1,200,000 contingency)	\$14,482,286
Add-Alternate	36,300
Additional Construction Contingency	300,000
Construction Management Services	450,000
Construction Inspection and Testing	100,000
Miscellaneous	<u>31,414</u>
Subtotal	\$15,400,000

City Administration	<u>1,001,000</u>
TOTAL COST	\$16,401,000
CURRENT PROJECT BUDGET	\$15,204,000
BUDGET SHORTFALL	<u>\$1,197,000</u>

If the recommended actions are approved, construction of the project is expected to begin in March 2021 and be completed by fall 2022.

FISCAL IMPACT

The construction of Shoreline Boulevard Transit Lane and Utility Improvements, Project 18-43, is funded with \$15,204,000 from the Shoreline Community Fund (including Shoreline Regional Park Community 2018 Series A Bond Proceeds), Water and Wastewater Funds (both capacity charges and North Bayshore development impact fee), Capital Improvement Program (CIP) Reserve Fund, and contribution from the 1045 La Avenida development (Microsoft) in the North Bayshore Area.

Staff recommends transferring \$1,197,000 of Shoreline Regional Park Community 2018 Series A Bond Proceeds (Bond Proceeds) from the Shoreline Boulevard at Highway 101 Bicycle/Pedestrian Bridge, Construction, Project 20-38 (Bridge Project) to the Shoreline Boulevard Transit Lane and Utility Improvements, Project 18-43, providing a total project funding of \$16,401,000. The Bond Proceeds have been allocated to a number of Shoreline Community-related projects, including the construction of the Bridge Project. It is generally recommended to use Bond Proceeds in a timely manner, and the Bridge Project is still in preliminary design with construction several years away. Therefore, although there are sufficient funds in the Shoreline Regional Park Community Fund to provide the additional \$1,197,000 needed for the Transit Lane project, staff recommends using the Bond Proceeds to cover the project's additional budget needs.

Staff will propose replacing the Bridge Project funding as part of the five-year Capital Improvement Program (CIP) process in spring 2021, at which time staff will have a better sense of the timing and construction costs for the Bridge Project.

ALTERNATIVES

1. Direct staff to reject all bids and readvertise the project for bids.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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