



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: OCTOBER 8, 2019
DEPARTMENT: PUBLIC WORKS DEPARTMENT
FROM: DAVID JACOBS, PUBLIC WORKS DIRECTOR
VICTOR GUTIERREZ, ASSISTANT ENGINEER
TITLE: DOWNTOWN COMPLETE STREETS PROJECT, PROJECT NO.
9090, FEDERAL PROJECT HSIPL-5045(032)

RECOMMENDED MOTION:

A motion to adopt a Resolution to:

- Award contract to Monterey Peninsula Engineering for the Downtown Complete Streets Project, Project No. 9090, Federal Project HSIPL- 5045(032) in the amount of \$7,324,483.99; and
- Approve associated transfer request for \$1,870,000 as outlined in the Fiscal Impact section to consolidate funding for the Downtown Complete Streets project (CIP 9090).

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution to:

- Award contract to Monterey Peninsula Engineering for the Downtown Complete Streets Project, Project No. 9090, Federal Project HSIPL- 5045(032) in the amount of \$7,324,483.99; and
- Approve associated transfer request for \$1,870,000 as outlined in the Fiscal Impact section to consolidate funding for the Downtown Complete Streets project (CIP 9090).

EXECUTIVE SUMMARY:

On April 16, 2019, the City Council authorized the rejection of all bids for this project for several reasons, primarily because bids received were approximately 35% higher than the engineer's estimate. With insufficient funds to cover the construction costs, staff has taken measures to reduce the overall scope and cost of the project. Staff has eliminated non-essential items from the plan set, while still ensuring that the plans still meet the conditions of the grant and overall intent complete streets project. On July 2, 2019, City Council authorized the modified plans, specifications and estimate, and authorize an invitation to bidders for the Downtown Complete Streets Project.

BACKGROUND:

Staff applied for and received two different grants for the project: one Highway Safety Improvement Program (HSIP), and a Regional Surface Transportation Program (RSTP) grant. The Downtown Complete Streets project includes improvements on the West Alisal Street corridor from Front Street to Blanco Road and on Lincoln Street from West Alisal Street to Market Street. Council approved a resolution accepting grant funds on August 16, 2016, and December 5, 2017.

Additionally, at its March 2015 meeting, Council approved the Salinas Downtown Vibrancy Plan. An element of the Downtown Vibrancy Plan is the West Alisal Street segment (Downtown Complete Streets Project). Furthermore, at its June 2014 meeting, Council approved a Memorandum of Agreement with the Transportation Agency for Monterey County (TAMC) and other central coast agencies to support Complete Streets improvements along the Marina-Salinas Multi-modal Corridor. Both plans support the implementation of a Complete Streets project along the West Alisal Street corridor.

The timing and location of the project provided an opportunity for the City to implement other infrastructure improvements, including the following:

- **Salinas Downtown Fiber Optic Network Plan:** The City has been working on the implementation of the Salinas Downtown Fiber Optic Network Plan. The City of Salinas desires to provide high-speed Internet connections to key buildings in its downtown, including CSUMB@Salinas Center, the new Public Safety Center (Alisal St/Work St), City Hall, and businesses in the downtown core area that aims to provide commercial grade high-speed internet to attract new businesses and support growth of existing businesses. The fiber optic communication infrastructure supporting high-speed internet was added to the scope of the overall project. The project limits were expanded to include the extension of this fiber infrastructure to the new public safety building under construction on East Alisal Street and Murphy Street, from the connection to the broadband system on Central Avenue.
- **Main Street Streetscape Project:** While the Complete Streets project is separate from the Main Street Project, the two project areas overlap. The project will be able to implement a portion of the improvements designated in the Main Street Project for the intersection of West Alisal at Main Street and East Gabilan and Main Street that includes traffic signal and pedestrian crossing upgrades.

The Downtown Complete Streets Project was previously advertised for bid on February 22, 2019. Two contractors submitted bids for the project. The City opened bids on March 19, 2019. Both bids failed to meet disadvantaged business enterprise (DBE) goals and prime contractor performance goals required by conditions of the HSIP grant. Additionally, the two bids received were approximately 35% higher than the original engineer's estimate. For these reasons staff recommended the bids be rejected and at its April 16, 2019 meeting, and Council adopted a resolution rejecting all bids received (Resolution No. 21593).

In view of the fact that bids were higher than the available budget, staff has taken measures to reduce the overall scope and cost of the project. Staff has eliminated non-essential items from the plan set, while still ensuring that the plans still meet the conditions of the grant and overall intent complete streets project. Staff reviewed the previous bids and found that the electrical work, traffic signal work, and mobilization costs were the primary items that were originally underestimated and contributing to the high bids. Staff therefore focused its approach to reducing costs, specifically evaluating what traffic signal equipment could be preserved or eliminated from the project, to lower the overall cost of the project.

The previously proposed traffic signal at the West Alisal Street and Capitol Street, has been removed in its entirety. The County of Monterey had once planned to make this installation but since the County has now moved offices to a new location and County staff no longer felt a traffic signal was needed at this location. The County no longer intends to fund this installation. The City conducted an analysis at this location and found the traffic signal is not warranted, however the all-way stop at this intersection is not a sustainable option with or without the Downtown Complete Streets Project. The project proposes the conversion of this intersection to a two-way stop-controlled intersection.

The fiber optic work has also been modified since the plans were previously bid. The City originally planned to route the fiber optic communication through Hartnell’s Campus. However, the City and Hartnell failed to reach an agreement and the plans have been updated to reroute the fiber optic communication within public right of way. The City also included a new splice vault at the Fire Department Station 1 for future use. The added scope of fiber optic system changes has increased the cost of the overall project.

On August 20, 2019, bids were opened for the Downtown Complete Streets Project 9090 with the following results:

Contractor	Total Bid
Monterey Peninsula Engineering	\$7,324,483.99
Granite Rock Company	\$7,485,187.75
The Don Chapin Co., Inc.	\$7,907,996.30
Teichert Construction	\$8,525,105.88
<i>Engineer’s Estimate</i>	<i>\$7,029,816.00</i>

The apparent low bidder, Monterey Peninsula Engineering, is 4% above the engineer’s estimate. Staff recommends awarding the project to the low bidder.

CEQA CONSIDERATION:

The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) per Section 15301, Class 1(c). The proposed improvements constitute a minor modification to an existing facility as defined by the CEQA Guidelines to improve public safety. All work will be completed within the existing public right-of-way.

Additionally, it has been determined that the project is not located on a hazardous waste site, would not result in a significant impact due to unusual circumstances, damage scenic resources, affect a

historic resource, or result in a cumulative impact. For these reasons and those stated above, the project is exempt from the provisions of CEQA. Furthermore, as a result of the federal grant, the project required compliance with the National Environmental Policy Act (NEPA). The State has determined that this project has no significant impacts on the environment as defined by the NEPA, and that there are no unusual circumstances as described in 23 CFR 771.117(b).

STRATEGIC PLAN INITIATIVE:

The project implements several objectives of the Council’s Strategic Plan. The project implements the Downtown Vibrancy Plan that is a priority objective of the City’s strategic plan. The project supports elements of the Salinas Downtown Fiber Optic Network Plan and the Public Safety Building. The project supports the Council goals of a Well-Planned City and Excellent Infrastructure and Economic Diversity and Prosperity.

DEPARTMENTAL COORDINATION:

Multiple departments have been engaged at various stages of this project. Community Development and Public Works staff participated in the development of the Downtown Vibrancy Plan. The Public Works Department has worked with the Legal and Finance Departments in administering contracts and funding for the design phase. This coordination will continue through project advertisement and construction. The City’s Economic Development Director developed the Salinas Downtown Fiber Optic Network Plan, the improvements for which are now included in this project. The Police Department was engaged in the design to bring fiber optic communication to the new police station. Public Works staff has worked with the Fire Department to ensure hardware in the controller cabinets are compatible with future emergency response pre-emption equipment and probable computer aided dispatch equipment.

In addition to coordination amongst City departments, public works staff has had coordination with partners at the County, the Transportation Agency for Monterey County (TAMC), California Department of Transportation (Caltrans), Monterey-Salinas Transit (MST), Union Pacific Railroad and Hartnell College.

FISCAL AND SUSTAINABILITY IMPACT:

Based on the lowest bid received, the estimated total construction cost is listed below and includes Construction Engineering and Contingencies.

Construction Cost	
Lowest Bid Received	\$7,324,483
Contingencies 8.8%	\$642,000
Construction Engineering 8%	\$586,000
Total Construction Costs	\$8,552,484

Based on the total estimated construction costs, there is a projected shortfall of \$1,868,373. As mentioned earlier in this report, the Downtown Complete Streets Project incorporates components of two other Capital Improvements Projects, the Main Street Streetscape Project (CIP 9230) and the Salinas Downtown Fiber Optic Network Plan/New Police Facility fiber optic communication

(CIP 9904). Staff has determined the shortfall breakdown based on the bid items for each of the three projects. The budget for this project and projected shortfall are shown in the table below.

CIP No.	Name	Funding Source	Total Appropriations	Actual Construction Cost	Shortfall
9090	Downtown Complete Streets	HSIP, RSTP, SB1, Gas Tax, Measure X	\$5,377,111	\$6,251,380	(\$874,269)
9230	Vibrancy Plan Infrastructure	Measure X	\$600,000	\$1,154,219	(\$554,219)
9904	New Police Facility (fiber optic communication)	Measure G	\$707,000	\$1,146,884	(\$439,884)
TOTAL			\$ 6,684,111	\$8,552,484	(1,868,373)

Staff is requesting the necessary transfers of \$ 1,870,000, from the below sources to consolidate all funding into CIP 9090-66.4000:

- \$ 875,000 transfer from unallocated Measure X funds;
- \$ 555,000 transfer from CIP No. 9230-66.4000 - Vibrancy Plan Infrastructure (Measure X);
- \$ 293,000 transfer from CIP No. 9904-66.5810 – New Police Facility (Measure G); &
- \$147,000 transfer from CIP No. 9244-66.3600 – New Police Facility Debt Service (Measure G).

ATTACHMENTS:

Resolution

Bid Tabulation

Breakdown of Requested Appropriation