



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JUNE 20, 2017

**DEPARTMENT:** PUBLIC WORKS, TRAFFIC AND TRANSPORTATION DIVISION

**FROM:** VICTOR GUTIERREZ, ASSISTANT ENGINEER

**TITLE:** NORTH SANBORN ROAD SAFETY IMPROVEMENTS PROJECT  
NO. 9089 (FEDERAL PROJECT NO. HSIPL-5045(027))

### **RECOMMENDED MOTION:**

A motion to approve a Resolution rejecting all bids received for the North Sanborn Road Safety Improvements Project No. 9089 (Federal Project No. HSIPL-5045(027)).

### **RECOMMENDATION:**

Bids were opened on May 4, 2017 for this project. The received bids are more than double the original engineer's estimate. There are insufficient funds available to proceed with award of the project. Thus, staff recommends the rejection all received bids.

### **BACKGROUND:**

On April 4, 2017, Council approved plans, specifications and solicitation of bids for the North Sanborn Road Safety Improvements Project No. 9089 (Federal Project No. HSIPL-5045(027)). The Project calls to install an adaptive coordination system at 10 signalized intersections and installing protected left turns phases at the following intersections Sanborn Rd/Garner Ave, Sanborn Rd/Del Monte Ave, Sanborn Rd/Freedom Parkway. These improvements will be made at these intersections and include upgrades to the traffic signal controls, poles, mast arms and signal heads.

This project is funded with HSIP grant. The City received an award of \$1,415,700 in federal HSIP money to make safety improvements at Sanborn Road between East Alisal Street and Freedom Parkway. The program, which seeks to reduce fatalities and serious injuries on public roads, is a competitive program open to any city and county throughout the State. Awards are based on a proposed project's Benefit to Cost ratio (B/C). Projects are developed from a list of prescribed countermeasures for specific safety issues identified by an evaluation of collision information in a 10-year period.

On May 4, 2017, bids were opened for this project with the following results (see attached Bid Tabulation Sheet for details):

| <b>Contractor</b>                        | <b>Total Bid</b>   |
|--|--------------------|
| Tennyson Electric Inc, Livermore, CA     | \$3,497,050        |
| St Francis Electric Inc, San Leandro, CA | \$4,649,250        |
|  |                    |
| <i>Engineer's Estimate</i>               | <i>\$1,383,600</i> |

The apparent low bidder, Tennyson Electric Inc, is 250% above the engineer's estimate. Several factors may have contributed to the low interest in submitting bid for this project, and the high bids received. Bidding contractors stated that the cost of the traffic signal coordination system and the traffic signal equipment was the main reason for their high bids. Staff will explore other options to reduce the cost of this project and accomplish the HSIP program goals.

**CEQA CONSIDERATION:**

The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15301 (c), "Existing Facilities".

**STRATEGIC PLAN INITIATIVE:**

The Safety Improvements at North Sanborn Road between East Alisal Street and Freedom Parkway Project supports the Council initiatives Safe, Livable Community and Excellent Infrastructure

**FISCAL AND SUSTAINABILITY IMPACT:**

Below is a summary of the projected costs:

|   |                     |
|---|---------------------|
| Preliminary Engineering - Design        | \$ 70,000           |
| Engineer's Estimate (construction cost) | \$ 1,383,600        |
| Inspection                              | \$ 70,000           |
| Contingencies                           | \$ 49,400           |
| <b>Total Estimated Project Costs</b>    | <b>\$ 1,573,000</b> |

Based on the Engineer's Estimate and the bids received, there are insufficient current funds available to proceed with project award.

**ATTACHMENTS:**

Resolution  
Bid Tabulation Sheet  
Location Map

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**A RESOLUTION REJECTING ALL BIDS RECEIVED FOR THE  
NORTH SANBORN ROAD SAFETY IMPROVEMENTS  
PROJECT NO. 9089  
(FEDERAL PROJECT NO. HSIPL-5045(027))**

**WHEREAS**, on April 4, 2017, the City Council pursuant to Resolution No. 21147 (N.C.S.) approved plans and specifications for the bidding of the North Sanborn Road Safety Improvements Project No. 9089 (Federal Project No. HSIPL-5045(027)); and

**WHEREAS**, representatives of the City Clerk of Salinas on May 4, 2017, at a public meeting held in the Rotunda at Salinas City Hall, Salinas, California, publicly opened, examined and declared the bids or proposals delivered to or filed with said City Clerk for the North Sanborn Road Safety Improvements Project No. 9089 (Federal Project No. HSIPL-5045(027)), in accordance with the plans and specifications for such work filed in the office of said City Clerk on April 4, 2017, and now on file in said office; and

**WHEREAS**, The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15301 (c), "Existing Facilities".

**WHEREAS**, the two bids received are more than 250% above the Engineer's Estimate, and insufficient funds are available to award the project; and

**WHEREAS**, staff recommends rejecting all bids received for the reasons mentioned above.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL** that in reference to the North Sanborn Road Safety Improvements Project No. 9089 (Federal Project No. HSIPL-5045(027)), all bids or proposals received for this project are hereby rejected.

**BE IT FURTHER RESOLVED** that the Mayor of Salinas is hereby authorized and directed on behalf of the City of Salinas to reject all bid Proposals.

**PASSED AND ADOPTED** this 20th day of June 2016, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

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Joe Gunter, Mayor

**ATTEST:**

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Patricia M. Barajas, City Clerk