



CITY OF SALINAS

CITY COUNCIL STAFF REPORT

DATE: JULY 2, 2019

DEPARTMENT: PUBLIC WORKS DEPARMENT

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 approve Plans, Specifications and Estimate, and Authorize an Invitation to Bidders for the Downtown Complete Streets Project, Project No. 9090, Federal Project HSIPL-5045(032).

RECOMMENDATION:

It is recommended that City Council approve a Resolution:

1. Approving plans, specifications, and estimate for the Downtown Complete Streets Project, Project No. 9090, Federal Project HSIPL- 5045; and
2. Authorizing issuance of invitation to bidders for the Downtown Complete Streets Project, Project No. 9090, Federal Project HSIPL- 5045; with bids to open on August 20, 2019.

EXECUTIVE SUMMARY:

On April 16, 2019, the City Council authorized the rejection of all bids for this project because bids received were approximately 35% higher than the engineer's estimate. With insufficient funds to cover the construction costs, staff has reviewed the plans to better estimate costs while still accomplishing the HSIP and RSTP grant program' goals.

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:

- **Fiber optic communications:** The City has been working on the implementation of the Salinas Broadband Plan that aims to provide commercial grade high-speed internet to attract new businesses and support growth of existing businesses, including in the downtown area. The Downtown Complete Streets project considered these improvements and added fiber optic communication to the scope of the overall project. Installation of fiber lines that are an element of the Downtown broadband network. In addition, the project includes the extension of this fiber optic communication to the new public safety building under construction on East Alisal Street.
- **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 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, 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 signal equipment could be preserved, 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 has now moved offices to a new location and is no longer committed to funding this improvement. 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 sustainable. 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 revised Engineer's Estimate is \$7,449,708. In order to encourage contractors to submit bids for the project, the city will allow more time for the bid period, with bids proposed to be open on August 20, 2019. Staff will also be contacting contractors directly to invite bids for the project, in addition to the City's typical bid solicitation process.

Staff anticipates that the project may need additional funds for the construction phase. Staff recommends that Council approve the Plans, Specifications and Estimate (PS&E) and authorize to re-bid the project. Staff will return to Council with Award recommendations including a funding plan to complete construction and close out the project.

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 an objective of the City's strategic plan. As mentioned, the project supports elements of the Salinas Broadband 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 Administration Department developed the Salinas Broadband Plan, for which the project provides an opportunity to implement the downtown fiber network. The Police Department was engaged in the design to bring broadband 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.

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

FISCAL AND SUSTAINABILITY IMPACT:

Although the scope of work has decreased, the engineers estimate for the revised project plans has increased. The unit cost of bid items were increased based on the previously received bids. The increased unit pricing has resulted in a higher cost estimate even with reduced quantities.

Funding for this project comes from sources below:

CIP NO.	Name	Funding Source	Appropriations
9090	Downtown Complete Streets	HISP Grant (FY 14-15)	\$2,340,090
9090	Downtown Complete Streets	RSTP Grant (FY 17-18)	\$2,604,000
9090	Downtown Complete Streets	SB1 Road Funds	\$520,720
9216*	ADA Pedestrian Ramp	Measure X	\$100,000
9720*	Sidewalk & Drainage Repairs	Gas Tax	\$200,000
9230*	Vibrancy Plan Infrastructure	Measure X	\$600,000
9904*	New Police Facility (fiber optic communication)	Measure G	\$707,000
Total			\$7,071,810

*Appropriations approved February 19, 2019

The Engineer's Estimate for this project is \$7,449,708 including all the soft costs outlined below.

Construction Cost

Base Bid (Engineer's Estimate)	\$7,029,431
Contingencies (10%)	\$642,247
Construction Engineering	<u>\$385,000</u>

Total Estimated Construction Costs **\$ 7,449,708**

Based on the Engineer's Estimate of \$7,449,708 staff anticipates the project may need additional funds to award the project. Staff recommends that Council approve the Plans, Specifications and Estimate (PS&E) and authorize to re-bid the project. Staff will return to Council with Award recommendations including a funding plan to complete construction and close out the project.

ATTACHMENTS:

- Attachment 1: Resolution
- Attachment 2: Project Location Map
- Attachment 3: Project Fact Sheet