



## PUBLIC WORKS DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Meeting: October 10, 2023

#### Subject

Award a construction contract for the McClellan Road Separated Bike Corridor Phase 3 Project to Redgwick Construction Company for improvements at the intersection of De Anza Boulevard and McClellan Road/Pacifica Drive and approve a budget modification in the amount of \$975,000.

#### Recommended Action

1. Award a construction contract for the McClellan Road Separated Bike Corridor, Phase 3 Project (Project 2020-12) in the amount of \$1,569,386 to Redgwick Construction Company;
2. Authorize the City Manager to execute the contract when all conditions have been met;
3. Authorize the Director of Public Works to execute any necessary construction change orders up to a construction contingency amount of \$156,939 (10%) for a total contract amount of \$1,726,325; and
4. Adopt Resolution No. 23-XXX approving budget modification #2324-304, approving a transfer of \$948,552 from the Capital Improvement Fund (budget unit 420-99-036 900-905, ST 047) to the Transportation Fund (budget unit 270-99-269 900-905) and approving a transfer of \$975,000 within the Transportation Fund from Senate Bill (SB) 1 Capital Outlay (budget unit 270-85-821 900-971) to the project (budget unit 270-99-269 900-905), for a total authorized project expenditure of \$2,299,410.

#### Reasons for Recommendation

In June 2016, the City Council adopted the 2016 Bicycle Transportation Plan (BTP). The BTP is a long-range planning document designed to address the present and future needs of bicycling within the City of Cupertino. Infrastructure projects are identified in the BTP and organized into three tiers, Tier 1 projects having the highest priority with expected implementation within five years. Tier 2 and Tier 3 projects scored lower than Tier 1 projects with respect to priority. However, implementation of these tiers can be initiated sooner to take advantage of funding or other opportunities, or to complement the development of other transportation improvements.

The reconfiguration of the De Anza Boulevard/McClellan Road/Pacifica Drive intersection is identified in the BTP as a Tier 2 project. This intersection is a vital connection within the McClellan Road corridor and is included as Phase 3 of the larger McClellan Road Separated Bike Corridor Capital Improvement Programs (CIP) project. The Phase 3 improvements include safety enhancements to the intersection and modification of the existing traffic signals. Construction of Project Phases 1 and 2 were completed in June 2019 and June 2020, respectively.

The McClellan Road Separated Bike Corridor, Phase 3 Project was included in the adopted Fiscal Year (FY) 2021-2022 CIP Budget, with an approved project amount of \$1,324,410. The project budget consists of \$1,000,000 in grant funding from the Vehicle Emissions Reductions Based at Schools (VERBS) program, \$164,410 in capital improvement funds and \$160,000 from a funding donation from Apple.

On March 23 the City advertised the project for bid and on April 18 received two bids, one was determined to be a non-responsive bid and the other exceeded the engineer's estimate by 20%. On May 16, City Council authorized the Director of Public Works to reject all bids and to re-advertise the project at a later time.

The City advertised the re-bid of McClellan Road Separated Bike Corridor, Phase 3 Project on July 7. On August 1, the City received four responsive bids detailed in the table below.

<b>Bidder</b>	<b>Total Bid Amount</b>
Redgwick Construction Co.	\$1,569,386.00
Sposeto Engineering	\$1,586,630.95
Ray's Electric	\$1,639,614.25
St. Francis Electric, LLC.	\$2,179,000.00
<i>Engineer's Estimate</i>	<i>\$1,461,765.00</i>

With the re-bid of the project staff conducted additional outreach to solicit greater competition and aligned the construction schedule to encourage more contractors to participate. Compared to the initial bid, this re-bid resulted in more competitive results, as three of the four bids were priced within five percent of each other, indicating that the bids were a fair representation of true market costs. Additionally, the re-bid resulted in a lower bid total, saving the City more than \$55,000. Due to these factors, the Department of Public Works believes the advertisement of the project for re-bid to be a success.

The Department of Public Works reviewed the Redgwick Construction Company bid documents for completeness, confirmed the contractor's experience and qualifications, and determined the bid to be the lowest responsive and responsible bid per the Instructions to Bidders, Cupertino Municipal Code, and the Local Assistance Procedures Manual to comply with VERBS grant requirements for local transportation projects. Therefore, staff recommends awarding a construction contract to Redgwick

Construction Company for the contract amount of \$1,569,386 and a 10% construction contingency in the amount of \$156,939, for a total contract amount of \$1,726,325. Construction contingency allows for unforeseen conditions and are a typical contracting best practice.

A Draft Construction Contract is included as Attachment A, while the full project specifications can be found at the City's "Business Opportunities" webpage and <https://apps.cupertino.org/bidmanagement/index.aspx>. Construction is expected to begin in November 2023 and be completed in February 2024.

Sustainability Impact

The recommended improvements are intended to encourage bicycle use, which would reduce single occupancy vehicle trips and lead to reduced vehicle emissions. This will help the City achieve air quality and greenhouse gas emission reduction goals.

Fiscal Impact

The FY 21-22 Budget allocated \$1,324,410 for the McClellan Road Separate Bike Corridor, Phase 3 Project (budget unit 420-99-036 900-905, Project ST 047 and CIP project #2020-12). Of that amount, \$1,000,000 is funded through the VERBS grant, administered by the Metropolitan Transportation Commission.

A combination of budgeted City funds and an external donation of \$160,000 from Apple was used to fund the design of the project in the amount of \$324,410. After accounting for the current expenses and encumbrances, in view of the proposed construction project, there is a funding shortfall of approximately \$949,000. This deficit will be funded with external funds through the Local Streets and Roads Program provided by the City's share of California State SB 1 revenue.

Current Fiscal Summary:

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<b>Current Funding Status</b>	<b>Amount</b>
Budgeted City Funds for McClellan Road Separated Bike Corridor - Ph 3	\$164,410.00
External Donation (Apple)	\$160,000.00
Federal Grant Funds (VERBS Grant)	\$1,000,000.00
<b>Subtotal</b>	<b>\$1,324,410.00</b>

<b>Current Encumbrances</b>	<b>Amount</b>
Designer/Engineer	(\$324,410.00)
PM consultant	(\$11,250.00)
Traffic Signal Poles (City Procurement)	(\$40,199.00)
<b>Subtotal</b>	<b>(\$375,859.00)</b>

**Current Funding available after Expenses/Expenditures**      **\$948,552.00**

<b>Estimated Funding Impact</b>	<b>Amount</b>
Estimated Construction Management Costs	(\$170,069.00)
Estimated Construction Total, including Contingency (this agreement)	(\$1,726,325.00)
<b>Subtotal</b>	<b>(\$1,896,394.00)</b>

<b>Overall Funding Impact</b>	<b>Amount</b>
Current Funding available	\$948,552.00
SB1 Funds (Resolution No. 23 - XXX)	\$975,000.00
Estimated Construction and Construction Management Expenditures	(\$1,896,394.00)
<b>Total</b>	<b>\$27,158.00</b>

*\*Yellow highlighted lines are Recommended Actions*

California Environmental Quality Act (CEQA)

The project is categorically exempt from CEQA pursuant to CEQA Guidelines sections 15301 (maintenance of existing facilities).

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Prepared by: Marlon Aumentado, Assistant Civil Engineer

Reviewed by: Chad Mosley, Director of Public Works

Reviewed by: Matt Morley, Assistant City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – Draft Contract

B – Draft Resolution