



**DATE:** June 1, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Rejecting All Bids, Approving Revision of Plans and Specifications, and Calling for Bids for the Mission Boulevard Corridor Improvements Phase 3 Project, Project No. 05287

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) rejecting all bids for the Mission Boulevard Corridor Improvements Phase 3 Project, Project No. 05287, approving revision of the plans and specifications, and calling for bids to be received in the Fall of 2021.

### **SUMMARY**

Construction of Phase 1 of the Mission Boulevard Corridor Improvement Project from A Street to Industrial Parkway, and Foothill Boulevard from Mission Boulevard to Apple Avenue, was completed in January 2014. Construction of Phase 2 of the project, from Industrial Parkway to the south City limit at Blanche Street, has been completed. Phase 3 of the project, from A Street to the north City limit at Rose Street is the last phase of the three-phase project to be constructed.

On April 6, 2021, the project received two bids. Both bids were over the engineer's estimate of \$10,127,039. The apparent low bid, submitted by Ghilotti Construction Company, Inc., is \$12,833,938 or 27% above the engineer's estimate. The second low bid, submitted by DeSilva Gates Construction is \$14,014,014, which is 38% above the Engineer's Estimate.

Staff is requesting that Council reject all bids, approve the revised plans and specifications incorporating Addendum Nos. 1 and 2, and authorize calling for construction bids to be received on September 14, 2021.

### **BACKGROUND**

Below is a list of major milestones for the Mission Boulevard Corridor Improvement project:

- November 2007: Council approved Phase 1 of the Route 238 Corridor Improvement Project, which covered roadway and street improvements on Mission Boulevard (from A Street to Industrial Parkway) and Foothill Boulevard (from Mission Boulevard to Apple Avenue) and certified the Final Environmental Impact Report (FEIR) for the project. Subsequently, Caltrans relinquished portions of State Routes 92, 185 and 238 to the City within the Phase 1 project limits.

- May 2010: Local Area Transportation Improvement Program (LATIP) funds totaling \$30M were approved by the California Transportation Commission (CTC) for use on the project.
- August 2010: Construction of the Phase 1 project began.
- August 2013: CTC allocated \$8.1M of the total \$30M for the Route 238 Phase 1 expenses.
- January 2014: Construction of the Phase 1 project was completed.
- August 2014: CTC allocated \$2M of the total \$30M for the design of Phases 2 and 3.
- August 2017: Alameda County Transportation Commission (ACTC) obligated \$21.5M in Measure BB funds; \$10.6M for Phase 2 construction and \$10.9M for Phase 3 construction.
- October 2017: CTC allocated \$19.9M of the total \$30M for the construction of Phase 2.
- September 2017: Council approved plans and specifications and call for bids for the Phase 2 project.
- March 2018: Construction of the Phase 2 project began.
- July 2020: Council approved plans and specifications and call for bids for the Phase 3 project when the utility companies provided their final drawings for undergrounding of the overhead utilities and property owners provided the temporary construction easements.
- September 2020: Completion of Phase 2 construction.
- January 26, 2021: Council approved amendment to the Professional Services Agreement with Mark Thomas & Company for additional design services related to late design changes and to complete the bid documents.
- March 5, 2021: Call for bids.

## **DISCUSSION**

The call for bids was contingent on receipt of final construction bid documents with included final undergrounding drawings from PG&E, temporary construction easements from property owners, and final design revisions related to coordination with Alameda County.

On March 5, 2021, staff advertised the project for construction bids. On March 24, 2021, staff issued Addendum No. 1 and, on March 31, 2021, staff issued Addendum No. 2 that responded to bidder questions. On April 6, 2021, two (2) bids were received (Attachment III). Ghilotti Construction Company, Inc., of Santa Rosa, submitted the lowest bid in the amount of \$12,833,938, which is 27% higher than the Engineer's Estimate of \$10,127,039. DeSilva Gates Construction submitted the second low bid in the amount of \$14,014,014, which is 38% higher than the Engineer's Estimate.

Due to the high bids received, staff is requesting that Council reject all bids. The plans and specifications for re-bid will be revised to incorporate Addendum Nos. 1 and 2 that addressed bidder questions during the original March 5, 2021 call for bids. The plans and specifications will also be revised to reduce and/or remove features like pavers and trench drains and include them as bid alternates. Should the cost of the bid alternate(s) be within the project budget, the feature(s) can be included in the construction contract.

Finally, staff is requesting that Council authorize calling for construction bids to be received by September 14, 2021 to provide time for revision of the plans and specifications, as well as bidding when contractors are less busy during the fall to garner more bids.

## **ECONOMIC IMPACT**

Since a portion of this project is funded by Measure BB, this project is required to meet Local Business Contracting Equity (LBCE) Program goals. The participation goals are 60% for Local Business Enterprise (LBE) and 20% for Small Local Business Enterprise (SLBE) pursuant to the Alameda CTC Local LBCE Program. In addition to the LBCE goals, the City's Community Workforce Agreement is a requirement of the contract since the engineer's estimate is over \$1,000,000.

This project will contribute to the economic vitality of the County since this project is required to meet the LBCE goals. Additionally, completion of Phase 3 improvements would result in a complete street and positive economic benefits for businesses along the Mission Boulevard Corridor.

## **FISCAL IMPACT**

The estimated project costs for Phase 3 are as follows:

	Estimated Cost
Design	\$1,700,000
Construction	\$10,100,000
Construction Contingency (ACO)	\$1,010,000
Estimated Contracts for Undergrounding	\$1,800,000
Construction Admin, Inspection, Testing	\$1,500,000
<b>Phase 3 Project Total</b>	<b>\$16,110,000</b>

The total current budget is \$16 million outlined in the FY21 adopted Capital Improvement Program in the Route 238 Corridor Improvement Fund and includes \$10.9 million in revenue from Measure BB. Based on this estimate, there is a current shortfall of \$5.2 million. There are two possible sources to bridge this gap:

- 1) Sales from the Route 238 Bypass Properties, and
- 2) \$5.2 million under the 2021 Surface Transportation Authorization Legislation through Congressman Swalwell's Office who formally submitted this project for the Infrastructure funding to the House Transportation and Infrastructure Committee. Staff has applied for this resource but currently there is no specific timeline for the result of the application. An update on May 20, 2021 stated there will be no vote on the Infrastructure Bill before Memorial Day and maybe not until July.

Should there be a need to adjust or use different revenue sources, staff will return to Council for approval.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project:

Project 7c: Complete design of Mission Boulevard Phase 3 and construction

## **SUSTAINABILITY FEATURES**

This project incorporates sustainability features as they relate to water, energy, and the environment. Additionally, improvements such as the cycle track and sidewalk will promote health through physical activity.

## **PUBLIC CONTACT**

Community meetings were held on October 12, 2016, July 12, 2018, and February 20, 2019 at City Hall. Updates to the project with emphasis on the cycle track were provided during the last community meeting.

## **NEXT STEPS**

The following is the tentative schedule:

Revise Plans and Specifications	August 2021
Call for Bids	September 2021
Open Bids	October 2021
Award Construction Contract	November 2021
Begin Construction	January 2022
Complete Construction	Spring 2023

*Prepared by:* Dave Hung, Senior Civil Engineer  
Kathy Garcia, Deputy Director of Public Works

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:



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Kelly McAdoo, City Manager