



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 11/04/2025

ITEM NO: 4

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DATE: November 4, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: **Authorize the Town Manager to Execute a Notice of Completion for the Shannon Pedestrian and Bikeway Improvement Project (CIP No. 18-813-0218; Federal Project No. CML-5067(024)) and Authorize Staff to Record the Notice of Completion**

RECOMMENDATION: Accept the Shannon Pedestrian and Bikeway Improvement Project (CIP No. 18-813-0218, Federal Project No. CML-5067(024)) and authorize the Town Manager to execute a Notice of Completion; and direct staff to record the Notice of Completion.

FISCAL IMPACT:

There are no fiscal impacts associated with the recommended actions. This report is meant to close out the contract with Sposeto Engineering Inc. associated with Shannon Pedestrian and Bikeway Improvement Project work.

STRATEGIC PRIORITY:

This project supports the Core Goal of Quality Public Infrastructure. Implement transportation demand management and traffic calming efforts to mitigate traffic congestion where possible, while ensuring safety for all users and making bicycle and pedestrian improvements.

BACKGROUND:

The Shannon Road Pedestrian and Bikeway Improvements Project began July 1, 2020, and ended September 4, 2025.

PREPARED BY: Saurabh Nijhawan  
Senior Civil Engineer

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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SUBJECT: Actions Related to the Shannon Pedestrian and Bikeway Improvement Project (CIP No. 18-813-0218), Completed by Sposeto Engineering, Inc.

DATE: November 4, 2025

The project provides pedestrian and bicycle safety improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane. This segment of Shannon Road is a two-lane neighborhood collector street with high volumes of bicycle and pedestrian traffic when schools are in session. The street is a popular route for students attending Blossom Hill Elementary, Louise Van Meter Elementary, and Raymond J. Fisher Middle Schools. Prior to the project construction, there were intermittent sections of sidewalk on both sides of the roadway. On-street parking was allowed on Shannon Road except for the hours between 7 a.m. and 6 p.m. on weekdays.

Pursuant to this project, the Town applied for, and received, a \$940,100 Vehicle Emissions Reductions Based at Schools (VERBS) federal grant from the Santa Clara Valley Transportation Authority (VTA). In addition, the Town applied for and received a Transportation Fund for Clean Air Grant of \$174,250 for this project. The goal of this project is to install a new curb, gutter, sidewalk, buffered Class II bike lanes, and ADA curb ramps on Shannon Road within project limits to improve a public street that serves a broad community.

On May 3, 2024, staff began advertising the project, and bids were opened on May 29, 2024. The town received bid proposals from three bidders. Sposeto Engineering was the lowest responsive bidder.

On June 18, 2024, the Town Council authorized the Town Manager to execute a construction contract with Sposeto Engineering Inc. in the amount of \$2,115,931, with a ten percent (\$211,593) contingency of the contract award amount.

On May 20, 2025, the Town Council authorized an increase in expenditure budget in the amount of \$88,202 and authorized the Town Manager to execute an additional 2% contingency, for a total contingency of twelve percent (12%, \$253,912).

#### DISCUSSION:

Project construction commenced on September 3, 2024, and was completed September 4, 2025. The work has been completed to the satisfaction of the Town Engineer as noted in Attachment 2.

The total cost associated with Sposeto's contract was \$2,317,371. There were twelve change orders associated with this project, which utilized 9.5% of the approved contingency (\$201,441).

The additional 2% contingency authorized by the Town Council on May 20, 2025, was not utilized during construction. Construction was successfully completed within the originally approved 10% contingency.

SUBJECT: Actions Related to the Shannon Pedestrian and Bikeway Improvement Project (CIP No. 18-813-0218), Completed by Sposeto Engineering, Inc.

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Staff recommends that the Town Council accept the construction of the project and authorize the staff to record the Notice of Completion (Attachment 1).

Shannon Road Pedestrian and Bikeway Improvements		
CIP No. 813-0218		
<b>Budget</b>		
Existing Appropriations		
GFAR	\$	740,296
Traffic Mitigation Fund	\$	221,582
Storm Basin 1	\$	647,717
Utility Underground	\$	71,201
Grant (TFCA)	\$	174,250
Grant (OBAG)	\$	940,100
<b>New Project Total</b>		<b><u>\$2,795,146</u></b>
<b>Expenditures</b>		
Construction Contract - Sposeto Engineering Inc	\$	2,317,371
Construction Support Agreement - Activewayz Engineering	\$	270,004
Construction Support Agreement - BSK Engineering	\$	18,393
Construction Support Agreement - Zoon Engineering	\$	4,938
Staffing Costs	\$	22,592
Other Project Costs	\$	72,871
<b>Total Expenditures to Date</b>	<b>\$</b>	<b><u>2,706,169</u></b>
<b>Project Balance After Recommended Actions</b>	<b>\$</b>	<b><u>88,977</u></b>

#### CONCLUSION:

This action formally accepts the contractor's work and affirms that it meets the Town's standards and requirements. The completion of the required work finalizes all contractual obligations, allowing for the release of retention.

#### COORDINATION:

This report was coordinated with the Finance Department.

#### ENVIRONMENTAL ASSESSMENT:

This is a project as defined under CEQA and is Categorical Exempt (Section 15301(c)). A Notice of Exemption was filed.

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Attachments:

1. Notice of Completion
2. Verification of Work