



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/18/2024

ITEM NO: 6

DATE: June 13, 2024

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218):

- a. Award and Authorize the Town Manager to Execute a Contract with Sposeto Engineering Inc. in an Amount Not to Exceed \$2,115,930.50;
- b. Authorize the Town Manager to Execute Change Orders in an Amount Not to Exceed Ten Percent (10%) of the Contract Award Amount (\$211,593);
- c. Approve the Project Construction Plans with Addenda as Required by Government Code 830.6 – Design Immunity;
- d. Authorize an Expenditure Budget Increase From Storm Drain Basin #1 Funds in an Amount of \$447,717; and
- e. Authorize an Expenditure Budget Decrease of Underground Utility Funds in an Amount of \$48,003.

RECOMMENDATION:

Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218):

- a. Award and authorize the Town Manager to execute a contract with Sposeto Engineering Inc. in an amount not to exceed \$2,115,930.50;
- b. Authorize the Town Manager to execute change orders in an amount not to exceed ten percent (10%) of the contract award amount (\$211,593);
- c. Approve the project construction plans with addenda as required by Government Code 830.6 – Design Immunity;
- d. Authorize an expenditure budget increase from Storm Drain Basin #1 Funds in an amount of \$447,717; and
- e. Authorize an expenditure budget decrease of Underground Utility Funds in an amount of \$48,003.

PREPARED BY: Gary Heap
Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Director of Parks and Public Works

BACKGROUND:

The Shannon Road Pedestrian and Bikeway Improvements Project is intended to provide 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. There are intermittent sections of sidewalk on both sides of the roadway. Currently, on-street parking is not allowed on Shannon Road between 7 a.m. and 6 p.m., except on Saturdays, Sundays, and holidays.

DISCUSSION:

The project was advertised for bid on Friday, May 3, 2024. On May 29, 2024, bid packages were opened and three contractors submitted bids. A summary of bid results is presented in Table 1 (with a detailed list on Attachment 2). The contract is recommended to be awarded to Sposeto Engineering Inc. as the apparent low and responsive bidder.

The engineer's estimate for the project was \$1,873,920. Bids received were higher than expected. This is due to the bidder's unit prices being higher than expected for most bid items, with the exception of the drainage piping which was much higher. The California Construction Cost Index (CCCI) for the San Francisco Bay Area indicates that construction prices are continuing to rise throughout the area. As such, staff does not believe that rebidding the project would change yield pricing that is consistent with the Engineers Estimate.

Table 1. Bid Summary for Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218)

BIDDER NAME	BASE BID
Sposeto Engineering Inc	\$2,115,930.00
Redgewick Construction Co	\$2,192,202.50
Galeb Paving Inc	\$2,451,454.47

Government Code 830.6 – Design Immunity states that neither a public entity nor a public employee is liable under this chapter for an injury caused by the plan or design of a construction of, or an improvement to, public property where such plan or design has been approved in advance of the construction or improvement by the legislative body. The project

SUBJECT: Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218)

DATE: June 13, 2024

DISCUSSION (continued):

construction plans can be found at the following link: <https://www.losgatosca.gov/108/Capital-Improvement-Program>.

CONCLUSION:

Staff recommends awarding and executing an agreement with Sposeto Engineering, Inc. for \$2,115,930.50. Staff also requests that Town Council formally approve the construction plans, bid documents, and addenda.

COORDINATION:

This project has been coordinated with the Finance Department.

FISCAL IMPACT:

Shannon Road Pedestrian and Bikeway Improvements		
CIP No. 813-0218		
	Budget	Costs
GFAR	\$ 740,296.49	
OBAG Grant	\$ 940,100.00	
TFCA Grant	\$ 174,250.00	
Storm Basin #1	\$ 200,000.00	
Budget Increase from Storm Basin #1 Funds (Requested with this Staff Report)	\$ 447,717.00	
Traffic Mitigation	\$ 133,380.00	
Underground Utility Funds	\$ 119,204.00	
Budget Decrease of Underground Utility Funds (Requested with this Staff Report)	\$ (48,003.00)	
Total Budget	\$ 2,706,944	
Prior Expenses Including Encumbrances		\$ 369,421
Construction Agreement with Sposeto Engineering Inc. (Requested with this Staff Report)		\$ 2,115,930
Construction Contingency (Requested with this Staff Report)		\$ 211,593
Temporary/Part-Time Staff		\$ 10,000
Total Expenditures		\$ 2,706,944
Remaining Budget		\$0

PAGE 4 OF 4

SUBJECT: Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218)

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FISCAL IMPACT (continued):

The original project budget included funding for utility undergrounding. Efforts were made towards utility undergrounding; however, relocation of the existing utility poles is what was determined to be the best course of action. Underground Utility Funds were used for the PG&E application for this project. As the project will only relocate existing utility poles and not actually accomplish any utility undergrounding, staff is requesting that the remainder of these underground funds be removed from the project and reallocated back to the Utility Undergrounding Fund.

Additional funding from the Storm Drain Funds will be used to cover the shortage of project funding as there are more than \$700,000 in storm drainage improvements being constructed with the project.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Construction Agreement with Exhibit A – Bid Summary
2. Bid Summary