



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/04/2020

ITEM NO: 13

DATE: July 17, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Following Actions for the Massol Intersection Improvements Project (19-813-0236):

- a. Authorize the Town Manager to Award and Execute a Construction Agreement with Tennyson Electric in an Amount of \$328,792, and Authorize \$65,758 as a Construction Contingency for a Total Amount Not to Exceed \$394,550;
- b. Authorize Staff to Execute Future Contract Change Orders in an Amount Not to Exceed Twenty Percent of the Agreement Amount;
- c. Approve a Budget Transfer of \$57,148 in FY 2020/21 from the School Bus Pilot Program

RECOMMENDATION:

Authorize the following actions for the Massol Intersection Improvements Project (19-813-0236):

- a. Authorize the Town Manager to award and execute a construction agreement with Tennyson Electric in an amount of \$328,792, and authorize \$65,758 as a 20% construction contingency for a total amount not to exceed \$394,550;
- b. Authorize staff to execute future change orders in an amount not to exceed twenty percent of the agreement amount;
- c. Approve a budget transfer of \$57,148 in FY 2020/21 from the School Bus Pilot Program budget.

PREPARED BY: Michelle Quinney
Interim Town Engineer

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

BACKGROUND:

The adopted FY 2019/20-2023/24 Capital Improvement Program (CIP) Budget designates funding for the Massol Intersection Improvements Project (19-813-0236). This project is consistent with the Town's goal to improve public safety, primarily by enhancing pedestrian safety crossing State Route 9.

On June 2, 2020, the Town Council authorized the Town Manager to approve the plans and specifications and advertise the project for bid. The Town Manager was also authorized to award and execute a construction agreement in an amount not to exceed \$349,760, including a 20% contingency.

A 20% construction contingency was recommended due to the fact that the project is within the Caltrans right of way and will require the contractor to obtain a permit and abide by Caltrans requirements throughout completion of the project. Additionally, should a changed condition occur during the course of construction, remedies would require Caltrans approval and would likely require additional funds to complete.

DISCUSSION:

The project was advertised, and three bids were submitted to the Town on July 1, 2020. Three bids were received electronically and opened remotely through a secure system in order to meet the needs for social distancing during the COVID 19 pandemic. The bid results are as follows:

Tennyson Electric - \$328,792

Bear Electrical - \$340,237

Columbia Electric - \$474,654

Tennyson Electric was the lowest responsive bidder and was approximately 12% higher than the engineer's estimate of \$293,000, which can be attributed to the uncertainties in the construction field given the current pandemic. Staff has reviewed Tennyson's bid and has determined the bid to be reasonable and responsive and is recommending award of the project to Tennyson Electric, Inc. with a 20% construction contingency allocated to the project.

Additional budgeted funds will be needed in order to award the construction contract with the recommended contingency. These additional budgeted funds are available from unspent funds in the School Bus Pilot Program budget. Re-appropriating the funds will allow for project adjustments to meet changing needs and avoid any delays once the project begins. Any funds not utilized for this project specifically will remain available for re-appropriation by the Town Council in the future.

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CONCLUSION:

Authorize the following actions for the Massol Intersection Improvements Project (19-813-0236):

- a. Authorize the Town Manager to award and execute a construction agreement with Tennyson Electric in an amount of \$328,792, and authorize \$65,758 as a 20% construction contingency for a total amount not to exceed \$394,550;
- b. Authorize staff to execute future change orders in an amount not to exceed twenty percent of the agreement amount;
- c. Approve a budget transfer of \$57,148 in FY 2020/21 from the School Bus Pilot Program budget.

COORDINATION:

This project has been coordinated with the Finance Department and the California Department of Transportation (Caltrans) as highlighted in the June 2, 2020 report.

FISCAL IMPACT:

The Parks and Public Works Department continues to plan for, and track costs associated with capital improvement projects. Where projects can be delivered within the workload of staff already budgeted in the Department's operating budget, no costs will be associated with the project. This project requires the use of some temporary staffing not included in the Department budget in order to meet schedule and workload commitments. The costs of the temporary employees will be charged to the project budget. This project also requires some permanent staff that are already budgeted in the Department's operating budget, and will not be charged to the project.

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FISCAL IMPACT (continued):

Massol Intersection Improvements Project 813-0236		
	Budget	Costs
GFAR	\$ 450,000	
Budget Requested with the Staff Report	\$ 57,148	
Total Budget	\$ 507,148	
Construction - Tennyson Electric		\$ 328,792
Contingency		\$ 65,758
Design		\$ 72,965
Temporary Staff Costs		\$ 27,633
Materials Testing		\$ 12,000
Total Expenditures		\$ 507,148
Staff Costs		
Operating Budget (Full time with benefits)		\$ 8,744
Total		\$ 8,744

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Construction Agreement including Exhibit A