



CITY COUNCIL AGENDA STATEMENT



February 26, 2019

File ID: 18-0424

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING BIDS; REJECTING THE APPARENT LOW BID; AWARDING A CONTRACT FOR THE CONSTRUCTION OF BIKE LANE IMPROVEMENTS ON BROADWAY - PHASE 1 (STM0384) AND CLASS 2 BIKE LANES ON BROADWAY (STM0392) PROJECT TO TRI-GROUP CONSTRUCTION AND DEVELOPMENT, INC., IN THE AMOUNT OF \$2,985,532.00; AND MAKING VARIOUS AMENDMENTS TO THE FISCAL YEAR 2018/19 CIP PROGRAM BUDGET AND APPROPRIATING FUNDS THEREFOR (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

Bike Lanes on Broadway project (Project) consists of two City Capital Improvement Program (CIP) projects, "Class Two Bike Lanes on Broadway" (STM0392) and "Bike Lane Improvements on Broadway - Phase 1" (STM0384). The two projects were advertised as one combined project and are scoped to install approximately four miles of bike lanes along Broadway from Main Street to C Street. STM0392 is an Active Transportation Project (ATP) and includes \$851,000 from state funds.

The project limits for STM0392 are along Broadway from Main Street to G Street and the limits for STM0384 are along Broadway from G Street to C Street. The initial scope of the advertised projects included street striping and markings, the installation of new traffic signs, and bicycle detection. STM0392 also included the removal and replacement of pavement (dig-outs) with a slurry seal pavement treatment for Broadway between Main Street and G Street.

The City advertised the project on August 8, 2018, but received no bids. To increase bidding interest, the project scope was revised to include "Smart City" and traffic items, and the project was re-advertised on August 17, 2018.

On November 14, 2018, Engineering and Capital Projects Staff received two bids. Staff determined the apparent low bidder, Palm Engineering Construction Company, Inc. (Palm Engineering), failed to provide documentation to demonstrate compliance with the qualification and experience requirements of the bid and contract documents. Staff determined that the apparent second low bidder, Tri-Group Construction and Development, Inc. (Tri-Group), was the lowest responsive bidder qualified to perform the work described in the bid and contract documents. Staff recommends that the City reject the apparent low bid

submitted by Palm Engineering and award the project contract to Tri-Group in the amount of \$2,985,532.00. Staff recommends various adjustments to the FY2018/19 Capital Improvement Program (CIP) and appropriations to cover the additional costs to complete the project.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed Project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities); Section 15303 Class 3 (New Construction or Conversion of Small Structures); and Section 15304 Class 4 (Minor Alterations to Land) because the proposed project would not result in a significant effect on the environment, create a cumulative impact, damage a scenic highway, or cause a substantial adverse change in the significance of a historical resource. Thus, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Bike Lanes on Broadway project (Project) consists of two CIP projects, "Bike Lane Improvements on Broadway - Phase 1" (STM0384) between G Street and C Street, and "Class Two Bike Lanes on Broadway" (STM0392) between Main Street and G Street. The two projects were advertised as one combined project and are scoped to install approximately four miles of bike lanes along Broadway from Main Street to C Street. STM0392 is an Active Transportation Project (ATP) and includes \$851,000 from state funds.

The initial scope of the advertised project included street striping and markings, the installation of new traffic signs, and bicycle detection for the entire length of Broadway. STM0392 (ATP project) also included the removal and replacement of pavement (dig-outs) with a slurry seal pavement treatment for Broadway between Main Street and G Street.

The City advertised the Project and received no bids on August 8, 2018. Prior to re-advertising design modifications and changes to scope were made to include "Smart City" and traffic elements to attract bidders. These changes include adding bicycle video detection in lieu of loops, expanding the limits of pavement treatment and dig-outs to include the entire length of the project and, the installation of fiber optic cable between Main Street and C Street.

The fiber optic line installation on Broadway will allow for the inter-connection of the 17 traffic signals along the Broadway corridor and an expansion the City's fiber network, which supports the City's "Smart City" objectives. This will also remove 12 leased telephone lines from the City's recurring utility costs. This project is piloting a micro-trench installation method for the fiber optic line installation.

On November 14, 2018, Engineering and Capital Projects Staff received two bids, the apparent low bid of \$2,685,869 submitted by Palm Engineering and the apparent second low bid of \$2,985,532 submitted by Tri-Group. The low bid by Palm Engineering was \$423,103 higher than the Engineers Estimate of \$2,262,766.

After reviewing Palm Engineering’s bid package, Staff determined that Palm Engineering was unable to provide evidence that they, or their subcontractors, had the requisite qualifications or experience for installing fiber optic cable and micro-trenching, as required by the project bid and contract documents. Fiber optics, as well as the micro-trenching, are relatively new technologies and require special training, experience and equipment. Installation of fiber optic splices and terminations requires a high level of expertise and diligence from the installer. Staff placed requirements in the bid specifications requesting a minimum of two (2) years of experience by the contractor or its subcontractors in the successful micro-trenching and the installation and termination of fiber optic cable systems. Tri-Group provided the required documentation of previous work experience with micro-trenching and fiber optic cable installation.

Staff recommends that the City reject the apparent low bid by Palm Engineering and award the contract to Tri-Group in the amount of \$2,985,532.00.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that, Councilmember McCann has real property holdings within 1,000 feet, but beyond 500 feet, of the boundaries of the property which is the subject of this action. Staff has determined that, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(8), this item does not present a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.) for the above-identified member.

LINK TO STRATEGIC GOALS

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The Bike Lanes on Broadway project supports both the Healthy Community and the Connected Community goals as it seeks to improve the City’s Bicycle network, connecting several bike routes and encourages bike riding in the western portion of the City. The addition of fiber optics will support the Operational Excellence and Connected Community goals.

CURRENT-YEAR FISCAL IMPACT

Approval of this resolution will transfer \$741,279 in TransNet funds from STL0397 to STM0384, \$800,000 in TransNet funds from SML0398 to STM0384, \$850,000 in CIP funds from TRF0409 to STM0384, appropriate \$123,384 from the WTDIF fund to STM0384 to initiate the construction phase of STM0384 and STM0392. Sufficient funds are available for said transfers and appropriation to award the contract and complete the project.

Required Funding

Contract Amount	\$2,985,532
City Furnished Equip.	\$220,000
Contingencies	\$582,468
Staff Costs (needed to complete project)	\$447,000
Total Funds Required for Construction	\$4,235,000

Total Funding

A	STM0392 (TransNet)	\$945,324
B	STM0392 (State ATP Grant remaining)	\$712,316
C	STM0384 (TransNet)	\$62,697
D	STM0384 (TransNet - Transfer from STM0397)	\$741,279
E	STM0384 (TransNet - Transfer from STM0398)	\$800,000
F	STM0384 (CIP Funds - Transfer from TRF0409)	\$850,000
G	STM0384 (WTDIF - Appropriate)	\$123,384
Total Funds Available for Construction		\$4,235,000

ONGOING FISCAL IMPACT

Upon completion of the project, the improvements will require only routine City street maintenance.

ATTACHMENTS

None.

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