



DATE: July 13, 2021

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Approving Addendums No. 1 and No. 2, and Awarding a Construction Contract to Cato's General Engineering, Inc., for the Municipal Parking Lot No. 2 Improvement Project, Project No. 05248 in the Amount of \$454,508, Authorizing a Construction Contingency Change Order Budget of \$45,000, and Appropriating Funds

## RECOMMENDATION

That Council adopts the attached resolutions (Attachments II and III):

1. Approving Addendums No. 1 and No. 2;
2. Appropriating \$149,391 for this project from the Street System Improvement Fund 450; and
3. Awarding the construction contract to Cato's General Engineering, Inc., in the amount of \$440,508 for the Municipal Parking Lot No. 2 Improvement Project (#05248) and authorizing a construction contingency change order budget of \$45,000.

## SUMMARY

On June 22, 2021, four bids were received for the Municipal Parking Lot No. 2 Improvement Project. Cato's General Engineering, Inc., of Hayward CA submitted the low bid in the amount of \$454,508, which is 38.4% higher than the Engineer's Estimate of \$328,459. Sandstone Environmental Engineering, Inc., of Oakley CA submitted the second lowest bid in the amount of \$486,001, which is 48% higher than the Engineer's Estimate. The bids ranged from \$454,508 to \$603,225.

All bids came in higher than the Engineer's Estimate ranging from 38.4% to 83.7%, which may be attributable to the rise in oil prices. The timing of the bids, as contractors are busy during the summer construction season as paving projects should be performed in the dry months, along with the project's stringent phasing schedule may have also contributed to the higher bid amounts. The project requires that  $\frac{2}{3}$  of the parking lot remain available for parking at all times during construction.

This project is categorically exempt for environmental review under Section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

## **BACKGROUND**

This project is part of an annual pavement rehabilitation and preventive maintenance program for the City's nine municipal parking lots. Improvements of Municipal Parking Lot Nos. 3, 4, 5 & 6 were completed in 2018 and included improvement of not only the pavement and the aesthetic condition of the parking lots, but also the addition of new parking stalls, including accessible parking spaces for American with Disabilities Act (ADA) compliance.

## **DISCUSSION**

Municipal Parking Lot No. 2 is located in the Downtown area and provides public parking for offices and retail business on Foothill Boulevard, A Street, B Street and Main Street. The entrances to Muni Lot No. 2 are on A Street and B Street. The project consists of improving the current condition of Muni Lot No. 2 by upgrading the parking configuration to City standards and ADA parking space requirements. Additional improvements include pavement rehabilitation, additional landscaping, upgrading LED lighting and parking stalls condition, striping, markings and signages and the infrastructure necessary for future electric vehicle charging stalls.

Four bids were received by the office of the City Clerk, First Floor, 777 B Street, Hayward, on June 22, 2021, for the Project. Staff verified all bid documents and licenses are in order. Cato's General Engineering, Inc., submitted the low bid in the amount of \$454,508, which is 38.4% higher than the Engineer's Estimate of \$328,459. Sandstone Environmental Engineering, Inc.'s bid was deemed to be inconsistent because the values of written words in the unit price did not match the numerical values of the total amount. Since the written unit price prevails over the numerical unit price, the corrected bid amount was \$486,001. The bids ranged from \$454,508 to \$603,225.

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On November 15, 2016, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. This agreement requires contractors to use local union hiring halls, encourages contractors to employ Hayward residents or Hayward Unified School District graduates, and requires hired workers to pay union dues and other benefit trust fund contributions, etc. Because the construction cost

estimate for the Muni Lot No. 2 Improvement Project is less than \$1,000,000, the CWA agreement does not apply to this project.

### **ECONOMIC IMPACT**

The improvement of the parking amenities and provision of future electric vehicle charging stalls will provide convenience for visitors to the Downtown area and may increase activity to nearby businesses.

The work has been scheduled in three phases specifically to ensure that most of parking stalls are available for use in order to minimize impact on the downtown businesses.

### **FISCAL IMPACT**

The Adopted FY 2022 Capital Improvement Program (CIP) includes a total of \$546,000 for the Muni Lot No. 2 Improvement Project No. 05248 in the Street System Improvements – Fund 450; \$145,883 was expensed to date for the ADA Parking Installations in 2018. However, the current estimated total project cost is \$695,391 due to the higher cost of construction, as noted below. Therefore, an additional appropriation of \$149,391 is needed to complete the project. As referenced in Attachment II, staff recommends Council approve the resolution appropriating an additional \$149,391 from the Street System Improvement Fund (Fund 450) to complete the project. The Street System Improvement Fund contains adequate fund balance to accommodate this additional appropriation. The estimated updated project and funding sources are as follows:

#### Project Expenditures

Construction Contract	454,508
Construction Contingency	45,000
Landscaping – City Staff	30,000
Design and Administration	10,000
Construction Survey, Inspection and Testing	10,000
ADA Parking Installations (completed in 2018)	<u>\$145,883</u>
TOTAL	\$695,391

#### Project Funding Sources

City (Street System Improvement Funds)	\$695,391
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## **STRATEGIC ROADMAP**

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

Project 1: Improve access and mobility in downtown Hayward.

Project 2: Expand EV charging infrastructure for City fleet and employees.

## **SUSTAINABILITY FEATURES**

This project upgrades the condition of the parking lot pavement and adds accessible parking spaces, pathways, and provision of future electric charging station.

The project requires the contractor to recycle all construction and demolition debris as a result of the project.

## **PUBLIC CONTACT**

Staff has initiated discussion with some of the downtown businesses and will continue dialogue with the business owners on the start of construction, project duration and relevance of work phasing to maintain availability of at least two-third of the parking.

Immediately after the construction contract is awarded, a preliminary notice explaining the project will be distributed to the businesses adjacent to the limit of work. After the construction work has been scheduled, businesses will be notified at least seventy-two hours prior to actual commencement of work.

## **NEXT STEPS**

Begin Construction  
Complete Construction

Beginning of August 2021  
End of September 2021

*Prepared by:* Hector M. Leuterio, Assistant 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