



DATE: June 20, 2023

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Rejecting the Bid from Nema Construction and Awarding a Construction Contract to Ray's Electric for the Traffic Signal Upgrade at Jackson Street Project, Project No. 05270 in the Amount of \$622,540 in Addition to Approving \$62,254 in Administrative Construction Contingency

RECOMMENDATION

That the Council adopts a resolution (Attachment II) rejecting the bid from Nema Construction and awarding the construction contract to Ray's Electric for the Traffic Signal Upgrade at Jackson Street Project, Project No. 05270, in the amount of \$622,540 and authorizing the Director of Public Works to spend \$531,000 from the Local Alternative Transportation Improvement Plan (LATIP) funds in addition to approving \$62,254 in administrative construction contingency.

SUMMARY

The Project proposes signal upgrade and improvements, particularly for enhancing traffic flow that includes installing new controllers, Sydney Coordinated Adaptive Traffic Systems (SCATS) and video detection systems, at these four intersections (Attachment III):

1. Jackson St/Amador St-Cypress Ave.;
2. Jackson St/Soto Rd.;
3. Jackson St/Winton Ave.; and
4. Jackson St/Meek Ave-Silva Ave.

Funding in the amount of \$531,000 for this project was obtained through a cooperative agreement with the California Department of Transportation (Caltrans). The total Project cost is estimated at \$809,302, which includes \$622,540 for construction, administrative construction contingency of \$62,254, and \$124,508 for construction administration, inspection, and testing.

On May 9, 2023, five (5) bids were received and analyzed for the Traffic Signal Upgrade at the Jackson Street Project. The lowest bidder, Nema Construction, requested to withdraw their bid due to multiple errors in their bid proposal. Staff recommends that Council reject the lowest bid and award the contract to the second lowest responsible and responsive bidder,

Ray's Electric of Oakland, CA in the amount of \$622,540 and authorize the Director of Public Works to spend the \$531,000 from the LATIP funds. Furthermore, staff is requesting approval of an Administrative Construction Contingency (administrative change orders) budget of \$62,254.

BACKGROUND

The LATIP was approved by Caltrans on November 19, 2009, for the purpose of supporting the Central Alameda County LATIP to fill the highway transportation infrastructure needs that were created when the Route 238 Hayward Bypass project was not pursued. The California Transportation Commission (CTC) approved the LATIP resolution on June 30, 2010. Projects included in the LATIP are funded from proceeds of the sale of the properties originally purchased for the now defunct Hayward Bypass Project. One of the top priority projects in the LATIP was the Route 238 Corridor Improvement Project in the City of Hayward, which was programmed for a total of \$30 million in LATIP funds. This project included the design and construction of the Mission Boulevard Corridor Improvement Project which was to be constructed in three phases.

Phase 1 included roadway and street improvements on Mission Boulevard (SR 238) from A Street to Industrial Parkway, Jackson Street (SR-92) from Watkins Avenue to Mission Boulevard. The CTC allocated \$8.1 million LATIP funds in August 2013 for Phase 1 construction which was completed in January 2014.

Phase 2 included roadway and street improvements on Mission Boulevard (SR-238) from Industrial Parkway to the south City limit and Jackson Street (SR-92) from Watkins Street to Santa Clara Street. Improvements on Jackson Street were limited to the addition of the SCATS to the traffic signals at the intersections on Jackson Street within the project limits. The CTC allocated \$2 million for the design phase for Phase 2 and Phase 3 (preliminary design) in August 2014, and \$19.9 million for the construction phase in October 2017. Construction for this segment on Mission Boulevard was completed in April 2021.

Phase 3 improvements will be on Mission Boulevard (SR-185) from A Street to the north City limit. This phase of the project is to begin construction this summer and will utilize local funds.

Due to time constraints, the Jackson Street project was taken out from the Mission Boulevard Corridor Improvements Phase 2 Project. Caltrans has since asked the City to complete this portion of work as it was in the original scope. On June 28, 2022¹, Council adopted a resolution authorizing the City Manager to execute a cooperative agreement with Caltrans to implement this signal modification to alleviate the existing traffic queue on Jackson Street, and for reimbursement of \$531,000 from the LATIP funds. Prior to executing the cooperative agreement, an item to amend the LATIP allocation amount was brought before the California Transportation Commission (CTC) during the March 2022 CTC meeting, which was approved.

DISCUSSION

¹ [CITY OF HAYWARD - File #: CONS 22-394 \(legistar.com\)](#)

This project proposes signal upgrade and improvements, particularly for enhancing traffic flow, which includes installing new controllers, SCATS and video detection systems, at these four intersections:

1. Jackson St/Amador St-Cypress Ave.;
2. Jackson St/Soto Rd.;
3. Jackson St/Winton Ave.; and
4. Jackson St/Meek Ave-Silva Ave.

On May 9, 2023, five (5) bids were received. Nema Construction, of Albany, CA, submitted the lowest bid in the amount of \$405,200, which is 1.7% lower than the Engineer's Estimate of \$412,000. However, on May 17, 2023, Nema Construction requested to withdraw the bid from consideration due to errors in the pricing on four items in their bid proposal. Staff reviewed the change and determined the bid to be irresponsible given the timeline of the change. Staff is requesting Council to reject the bid.

Ray's Electric, of Oakland, CA, submitted the second lowest bid in the amount of \$622,540, which is 51% higher than the Engineer's Estimate. Staff is requesting that Council award the contract to Ray's Electric, in addition to approving an Administrative Construction Contingency budget of \$62,254.

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. The 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. The construction cost estimate for this project is less than \$1,000,000; therefore the CWA agreement does not apply to this project.

This project is categorically exempt from environmental review pursuant to Section 15301(c) of the CEQA Guidelines because it is a project consisting of repair, maintenance or minor alteration of existing structures or facilities and involves negligible or no expansion of the existing use.

ECONOMIC IMPACT

Improvements to the City's traffic signal system make the overall transportation system more efficient which may result in positive economic benefits for businesses around the area.

FISCAL IMPACT

This work is estimated to cost \$809,302, of which \$531,000 will be reimbursed by LATIP funds, as stipulated in the Caltrans Cooperative Agreement. Additionally, an Administrative Construction Contingency (change orders) budget of \$62,254 and the remaining cost of \$216,048 will be funded by the fund balance of Fund 410 Route 238 Corridor Improvement. There will be no impact to the General Fund.

The estimated project costs are as follows:

Construction Contract	\$622,540
Construction Contingencies	\$62,254
Project Design	\$31,127
Construction Admin, Inspection, and Testing	<u>\$93,381</u>
TOTAL	\$809,302

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Invest in Infrastructure. Specifically, this project supports:

- Invest in Multi-Modal Transportation
- Project N2: Implement major corridor traffic calming initiatives

SUSTAINABILITY FEATURES

Improvements to the traffic signals will reduce environmental impacts like greenhouse gas emissions and enhance the overall quality of life for residents and businesses.

PUBLIC CONTACT

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

NEXT STEPS

The estimated schedule for this project is as follows:

Begin Construction	July 2023
Complete Construction	September 2023

Prepared by: Kevin Yoshiki; Assistant Civil Engineer
Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager