



# City of Morgan Hill

## Legislation Text

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## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: SEPTEMBER 7, 2016**

PREPARED BY: Karl Bjarke, Public Works Director  
APPROVED BY: City Manager

## **ACCEPTANCE OF DOWNTOWN UNDERGROUNDING UTILITIES STREET IMPROVEMENT PROJECT (SIDE STREET RENOVATION)**

### **RECOMMENDATION(S)**

Adopt resolution approving the following actions:

1. Accepting as complete the Downtown Undergrounding Utilities Street Improvement Project in the final amount of \$2,221,314;
2. Authorizing the Public Works Director to sign the attached Notice of Completion; and
3. Directing the City Clerk to file said Notice of Completion with the County Recorder's Office.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES:**

#### **Ongoing Priorities**

Enhancing public safety  
Maintaining fiscal responsibility

#### **2016 Focus Areas**

Planning Our Community  
Developing Our Community

### **REPORT NARRATIVE:**

On June 17, 2015, City Council awarded the contract for the Downtown Undergrounding Utilities Street Improvement project to St. Francis Electric, LLC. in the amount of \$1,871,464. In addition, City Council approved contingency funds not to exceed an amount of \$280,720. Subsequent to the start of the project, at its September 2, 2015 meeting, City Council approved an appropriation of \$150,000 in order to complete the necessary slurry seal and striping in the Downtown. In all, the total authorized project amount is \$2,302,184.

The scope of work for the project includes the undergrounding of overhead utilities and new street lights on First Street, Second Street, and Fourth Street, between Monterey Road and Depot Street. The purpose of the project is to visually enhance these street corridors by removing unsightly overhead wires and utility poles and to improve safety for the public and first responders. In addition,

the scope included the installation of a new water line and sewer line in Fourth Street and striping and slurry seal in the Downtown.

Nine contract change orders were issued during the project totaling \$349,850. Thus the total construction contract amount is \$2,221,314 (base contract amount of \$1,871,464 + total change order amount of \$349,850). This is less than the authorized amount of \$2,302,184 and, thus, the project balance of \$80,870 will be returned to the RDA Bond Proceeds Fund (250). The work has been completed per the contract documents and, thus, staff recommends accepting the project.

## **COMMUNITY ENGAGEMENT: Inform**

At the March 4, 2015 City Council Meeting, Council held a Public Hearing for the formation of an Underground Utility District. Staff and the contractor regularly communicated with affected property owners during construction.

## **ALTERNATIVE ACTIONS:**

Accepting the improvements once the contract is complete in accordance with the contract documents is a required process to complete the construction contract and enables the City to release any retained funds owed to the contractor per the California Public Contract Code Section 7107.

## **PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

- May 21, 2014 - At City Council Meeting, staff presented and the Council approved the Downtown Placemaking Investment Strategy for expenditure of 2008 Bond proceeds that includes streetscape improvements, pedestrian safety improvements, landscape/irrigation to the median along Monterey Road, parking lot improvements, and undergrounding of the overhead utilities.
- February 4, 2015 - At the City Council Meeting, Council directed staff to notice the required public hearing to be held on March 4, 2015 for the formation of an Underground Utility District along First Street, Second Street, and Fourth Street between Monterey Road and Depot Street per Morgan Hill Municipal Code, Chapter 12.12.
- March 4, 2015 - At the City Council Meeting, Council adopted the resolution establishing Downtown Underground Utility District (DUUD) on First Street, Second Street, and Fourth Street between Monterey Road and Depot Street.
- June 4, 2015 - At the City Council Meeting, Council adopted the resolution approving and authorizing the City Manager to execute a Service Agreement for Design Professionals with Sandis for a not-to-exceed fee of \$335,510 for several design tasks related to the Downtown Placemaking Investment Strategy, including undergrounding overhead utilities in the Downtown.
- June 17, 2015 - At the City Council Meeting, City Council awarded a contract to St. Francis

Electric, LLC for \$1,871,464 for the Downtown Undergrounding Utilities Street Improvement Project.

- September 2, 2015 - At the City Council Meeting, City Council re-appropriated \$150,000 from 2015-16A ROPS line 99 to line 105, Monterey Road Improvements, for the slurry seal and striping that was estimated to cost \$150,000.

### **FISCAL AND RESOURCE IMPACT:**

The approved FY 2014/15 and 2015/16 CIP Budgets include the downtown projects and associated implementation costs. The bond proceeds expenses for these services were included in the approved ROPS 14-15B and the ROPS 15-16A submittal approved by the Oversight Board and by the State Department of Finance. The total construction authorization for this project is \$2,302,184, which includes the original award of the contract, a contingency of \$280,720, and a later authorization of \$150,000. The final contract amount is \$2,221,314. The unused balance for this project will be \$80,870 and shall be returned to Fund 250 (and expended on other downtown placemaking projects).

### **CEQA (California Environmental Quality Act):**

Categorical Exemption

Per Section 15301 of the CEQA Guidelines setting forth a categorical exemption for existing facilities.

### **LINKS/ATTACHMENTS:**

Resolution

Notice of Completion

Funding Closeout Statement

Project Location Map