City of FRESNO **REPORT TO THE CITY COUNCIL**

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| AGENDA ITEM NO. | 1 F |
| COUNCIL MEETING | 6/4/2009 |
| APPROVED BY | |
| DEPARTMENT DIRECTOR | |
| CITY MANAGER | |

June 4, 2009

FROM: PATRICK N. WIEMILLER, Director
Public Works Department

BY: EFREN BAÑUELOS, Assistant Director
Public Works Department, Capital Management Division

LALKUMAR GOONAWARDENA, PE, Design Services Manager
Public Works Department, Capital Management Division

SUBJECT: 1. ADOPT FINDING OF A CATEGORICAL EXEMPTION, FRESNO COUNTY DOCUMENT NO. E200810000362, PURSUANT TO CEQA GUIDELINES SECTION 15301(f)

2. AWARD A CONTRACT IN THE AMOUNT OF $220,160.00 TO TERNO, INC. FOR INSTALLATION OF NEW TRAFFIC SIGNAL FACILITIES AT THE INTERSECTION OF BALCH AND CHESTNUT AVENUES, BID FILE. 2928-11352 (LOCATED IN COUNCIL DISTRICT NO. 5)

**KEY RESULT AREA**

One Fresno

**RECOMMENDATIONS**

Staff recommends that the City Council:

1. Adopt findings of a Categorical Exemption, Fresno County Document No. E200810000362, pursuant to CEQA Guidelines, Section 15301(f).

2. Staff recommends that the City Council award a construction contract in the amount of $220,160.00 to Terno, Inc. as the lowest responsive and responsible bidder for the installation of new traffic signal facilities at the intersection of Balch and Chestnut Avenues, and authorize the Public Works Director or his assignee to sign the contract on behalf of the City.

**EXECUTIVE SUMMARY**

The Public Works Department is prepared to install new traffic signal facilities at the intersection of Balch and Chestnut Avenues. This intersection is ranked seventh on the Council-approved 2009 City-wide Priority Ranking List for New Traffic Signal Installations. This intersection is adjacent to Olmos Elementary School and has satisfied School Area Traffic Signal Warrants. Funding for this project is from a State Safe Routes to School Program grant and will reimburse the City 90% of all project costs. The local matching funds for this grant project have been

appropriated by the Council and are coming from the City's Proposition 1B Local Streets and Roads 2007-08 allocation. This project is located within the boundaries of City Council Districts 5.

Staff recommends award of construction contract to Terno, Inc. of La Mirada, California, in the amount of $220,160.00.

**KEY OBJECTIVE BALANCE**

This project balances the three Key Objectives of Customer Satisfaction, Employee Satisfaction and prudent Financial Management. The goal of this project is to improve traffic and pedestrian safety by signalizing the intersection. The result will be improved safety for both vehicular traffic and pedestrians, especially for students from Olmos Elementary School located adjacent to this intersection, ensuring Customer Satisfaction. Financial Management objectives are achieved from award of contract to the lowest responsive and responsible bidder and by utilizing 90% grant funds to financially support this project. This project is located within the boundaries of City Council District 5.

**BACKGROUND**

The proposed traffic signal project satisfied School Area Traffic Signal Warrants for new traffic signal installation and is ranked seventh on the Council approved 2009 City-wide Priority Ranking List for New Traffic Signal Installations. This intersection is located adjacent to Olmos Elementary School. Funding for this project is from a State Safe Routes to School Program grant and will reimburse the City 90% of all project costs, including engineering and incidental costs. This project is located within the boundaries of City Council Districts 5. The project includes installation of new traffic signal facilities, installation of radar speed displays and traffic signal incorporation into the City wide ITS system.

A Notice Inviting bids was published in the Business Journal on April 29, 2009, posted on the City's Website and faxed to five (5) building exchanges. The specifications were distributed to thirteen (13) prospective bidders. Seven (7) sealed bid proposals were received and opened in the public bid opening on May 21, 2009, which ranged from $220,160.00 being the lowest, to $301,000.00 being the highest.

Terno, Inc. submitted the lowest bid in the amount of $220,160.00. The contract amount is 37% below the Engineer's Estimate and is considered a responsive and responsible bidder. The staff determination was posted on the City's website on May 27, 2009.

All State guidelines have been followed for this State funded project. The state will reimburse the City 90% for all costs of this project, including engineering and potential incidental construction costs through a State Safe Routes to School Program grant.

Staff has determined that this project fits within the definition of the Class 1 Categorical Exemption as set forth in CEQA Guidelines, Section 15301(f). Under this section, the addition of safety or health protection devices for use during construction of or in conjunction with existing

structures, facilities, or mechanical equipment, or topographical features including navigational devices are exempt from CEQA review. For this project, the improvements will help improve traffic and pedestrian safety. Therefore, staff has concluded that this project falls within this Categorical Exemption. A Notice of Exemption was filed with the Fresno County Clerk's Office on September 10, 2008, Fresno County Document No. E200810000362.

This project is located within the boundaries of City Council District 5.

The City Council may:

A. Adopt staff's recommendation, which would:

   1. Adopt findings of a Categorical Exemption, pursuant to CEQA Guidelines, Section 15301(f).

   2. Award a contract in the amount of $220,160.00 to Terno, Inc., as the lowest responsive and responsible bidder for the installation of new traffic signal facilities at the intersection of Balch and Chestnut Avenues, and authorize the Public Works Director or his assignee to sign the contract on behalf of the City.

   The project will be completed within sixty (60) working days from the date of the Notice to Proceed, or

B. The Council may reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately sixty (60) days.

**FISCAL IMPACT**

The State of California will reimburse the City 90% for all costs of this project, including engineering and potential incidental construction costs through a State Safe Routes to School Program grant. The local match for the grant has already been appropriated by the Council utilizing the City's Proposition 1B Local Streets and Roads 2007-08 allocation. It is anticipated that installation of the traffic signal will result in an average annual cost of $2,300 to operate and maintain the new traffic signal which will be borne by the General Fund and/or Gas Tax within the operating budget of the Public Works Department.

PNW/EB/LG/EG/eam
Adopt Finding Cate Exmpt & Awd Contr Terno Traf Sig Balch-Chestnut 6-4-09

Attachments: Bid Evaluation Proposals
Fiscal Impact Statement
Notice of Exemption

# EVALUATION OF BID PROPOSALS

FOR: TRAFFIC SIGNAL INSTALLATION AT BALCH AND CHESTNUT

Bid File No.2928
Bid Opening: May 21, 2009

| BIDDERS'S | TOTAL NET BID AMOUNT |
|---|---|
| 1. Terno, Inc.<br>15701 Heron Ave<br>La Mirada, CA 90638 | $220,160.00 |
| 2. Madco Electric, Inc.<br>2135 E Front St<br>Selma, CA 93662 | $247,215.00 |
| 3. MCH Electric, Inc.<br>31084 S Hwy 33<br>Tracy, CA 95304 | $257,921.75 |
| 4. Richard A. Heaps Elect Contr Inc.<br>8909 Florin Rd<br>Sacramento, CA 95829 | $258,975.00 |
| 5. Tennyson Electric Inc.<br>7275 National Dr.<br>Livermore, CA 94550 | $268,313.00 |
| 6. A-C Electric Company<br>Box 6060<br>Fresno, CA 93703 | $276,725.00 |
| 7. Bill Marvin Electric, Inc.<br>2705 N Larkin Ave<br>Fresno, CA 93727 | $301,000.00 |

Each bidder has agreed to allow the City sixty (62) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, June 17, 2009, 5:00 P.M.

The Engineer's Estimate for this expenditure is $ 350,000.00 . The contract price is 37 % ~~above~~/below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

# EVALUATION OF BID PROPOSALS

FOR: TRAFFIC SIGNAL INSTALLATION AT BALCH AND CHESTNUT

Bid File No.2928
Bid Opening: May 21, 2009

BACKGROUND OF PROJECT (To be completed by Evaluating Department/ Division. Explain need for project/equipment):

The proposed traffic signal installation project at the T-Intersection of Balch and Chestnut avenues has satisfied School Area Traffic Warrants for new traffic signal installation. It ranked number seventh on the City Council approved 2009 City-wide Priority Ranking List for New Traffic signal Installations. The new traffic signal facilities will improve both vehicle and pedestrian safety, especially for students at Olmos Elementary School. The elementary school is located adjacent to this intersection.

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

[ X ] Award a contract in the amount of $ 220,160.00
to TERNO, Inc. of La Mirada, CA
as the lowest responsive and responsible bidder.

Remarks:

[ ] Reject all bids. Reason:

Department Head Approval

Title Assistant Public Works Director

Date 5/22/09

[ ] Approve Dept. Recommendation

[ ] Disapprove

[ ] See Attachment

[ ] Approve GSD/Purchasing Recommendation

[ ] Disapprove

GENERAL SERVICES DEPARTMENT

Jason B. MacDonald 5/22/09
Purchasing Manager Date

for 5/22/2009
Director Date

CITY MANAGER

5/26/09
City Manager or Designee Date

# FISCAL IMPACT STATEMENT

PROGRAM: PW00491 TRAFFIC SIGNAL AT CHESTNUT AND BALCH

| RECOMMENDATION | TOTAL OR CURRENT | ANNUALIZED COST |
|---|---|---|
| Direct Cost | $220,160.00 | |
| Indirect Cost | $112,000.00 | |
| TOTAL COST | $332,160.00 | |
| Additional Revenue or Savings Generated | | |
| Net City Cost | | |
| Amount Budgeted (If none budgeted, identify source) | $332,160.00 | |

Indirect costs consist of the following:

| | |
|---|---|
| Construction Engineering: (Const. Manage., Surveying, Inspection, Contract Compliance) | $ 36,000.00 |
| Construction Contingencies: | $ 26,000.00 |
| Soils Lab/Testing: | $ 5,000.00 |
| Project Management/Admin: | $ 10,000.00 |
| Project Closeout: | $ 10,000.00 |
| Public Outreach & Education | $ 25,000.00 |
| **TOTAL** | $112,000.00 |

# Notice of Exemption

To _____ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From (Public Agency) City of Fresno
2600 Fresno Street, 4th Floor
Fresno, CA 93721
Address

FILED
SEP 10 2008
FRESNO COUNTY CLERK
By Donna Ramirez DEPUTY

__X__ County Clerk
County of Fresno

Project Title Balch and Chestnut Traffic Signal installation

Project Location-Specific Balch & Chestnut

Project Location- City of Fresno Project Location-County Fresno

Description of Nature, Purpose, and Beneficiaries of Project This project consists of the installation of a new traffic signal. The traffic signal will improve safety for students crossing at this intersection, located in the vicinity of Olmos Elementary school.

Name of Public Agency Approving Project City of Fresno

Name of Person or Agency Carrying Out Project City of Fresno, Department of Public Works

Exempt Status (check one)

- ▪ Ministerial (Sec. 15073)
- ▪ Declared Emergency (Sec. 15071(a))
- ▪ Emergency Project (Sec. 15071(b) and .))
- X Categorical Exemption. State type and section number.

Reasons why project is exempt The project has no potential to adversely impact air quality or any other environmental area, therefore, it is exempt form CEQA pursuant to CEQA Guidelines 15061 (b) (3) .

Lead Agency Contact Person Ernie Garcia Area Code / Telephone / Extension (559) 621-8676

If filed by applicant

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ▪ Yes ▪ No

_ Signature 9/9/08 Date Design Services Manager Title

X Signed by lead Agency ▪ Signed by Applicant Date received for filing at OPR:

*Revised December 2004*