

TO: James L. App, City Manager

FROM: Bob Lata, Community Development Director

SUBJECT: LED-Lighted Crosswalks and Preprogramming of Community Development Block Grant (CDBG) Funds

DATE: December 21, 2004

Needs: For the City Council to give staff direction on design and installation of the proposed LED-Lighted Crosswalk system at 24th and Oak Streets.

- Facts:
1. A total of \$50,000 in 2002 and 2003 CDBG funds were allocated to install an LED-Lighted Crosswalk at the intersection of 24th and Oak Streets. Of that amount, \$7,600 has been spent for design and bidding costs.
 2. The design specifies installation of two PCC concrete strips across 24th Street into which LED signals would be set.
 3. The design engineer estimated that the cost of installing the LED-Lighted Crosswalk, including the PCC concrete strips, would be \$41,000. Therefore, the \$50,000 budget appeared to be sufficient.
 4. Bids were opened (for the second time) on September 15. Only one bid was received for \$74,900. If the Council wishes to award this bid, \$36,300 in additional CDBG funds would need to be appropriated.
 5. At its meeting of November 2, 2004, the Council opened a public hearing to consider amending the 2002 Annual Action Plan to reprogram CDBG funds, but continued the hearing to December 21 in order that staff might investigate less-costly alternatives to installing the LED-Lighted Crosswalk system.
 6. Staff has investigated the following alternatives to awarding the bid:
 - a. City acting as general contractor and “sub” contracting for each individual component of the work involved in installing an LED-Lighted Crosswalk system;
 - b. Using City personnel to the extent feasible and contracting for those individual components of work that could not be accomplished by City staff;
 - c. Negotiating with the bidder to “value engineer” the project, eliminate the installation of PCC concrete strips, and provide a revised (lower) price.

Analysis and
Conclusion: Components of Work

The project consists of the following components:

- a. Installing two concrete strips across 24th Street (at the outer edges of both crosswalks) into which the signals and wiring will be placed.

- b. Saw-cutting and removing existing asphalt where the concrete strips are laid, of existing curb and gutter where wiring will pass, and of existing curb, gutter and sidewalk on the north side of 24th Street where a new handicapped ramp would be installed.
- c. Providing traffic control: 24th Street will need to be blocked off and traffic rerouted (detoured) during the AC cutting, PCC pouring and setting, and pavement marking.
- d. Installing the signals and wiring in the concrete strips.
- e. Installing four poles for the flashing signs, push-button actuators, and computer.
- f. Wiring the system: connecting the signals and signs to the computer (to be pole-mounted) and connecting the computer to an AC power source. This will entail coordination with PG&E.
- g. Installing a handicapped ramp on the north side of 24th Street.
- h. Marking the pavement to indicate the upcoming crossing.

The specifications called for installation of two PCC concrete strips because the City of San Luis Obispo did this for their second crosswalk (on Higuera Street), reportedly to minimize potential damage to asphalt pavement around the signals. City staff re-investigated the need for such a feature. The City Engineer concluded that the PCC concrete strips would not provide any significant benefit and, if installed, could complicate any future asphalt overlays on 24th Street. A preliminary estimate is that the cost of installing the PCC concrete strips accounts for about \$19,000 of the project cost (or 25% of the bid received). Regardless of the means selected to accomplish the project, significant savings could be achieved by eliminating this component.

City Acts as General Contractor

The State Public Contracts Code provides that City staff may, as an alternative to awarding a bid, complete certain projects if the Council, on a 4/5 vote finds that the project may be more-economically completed by City personnel than by awarding the bid. The City must also establish and follow detailed accounting procedures to document direct and indirect costs of completing the project and demonstrate that the cost of using City personnel is actually more economical than doing the work under a bid.

Federal regulations governing CDBG funded projects would require prevailing wages and complex procurement procedures and contract documents for each component of work. Additionally, the timing of contracted services for several overlapping components would have to be carefully coordinated. The administrative burden of managing multiple contracts would divert limited staff resources in the Public Works Department from other duties at a time in which there are several vacancies in that department.

City Staff Installs System and Contracts for Certain Components

This alternative is subject to the same Public Contracts Code provisions as the previous alternative.

Assuming the installation of PCC Concrete strips is eliminated, City staff could technically accomplish some, but not all, of the components of work. However, this alternative is does not appear to be feasible as staff resources in the Public Works Department are presently so short that other necessary City work would need to be postponed while this project is completed.

Reduced Scope of Work

The City Attorney has advised that the amount of cost reduction (25%) associated with eliminating the PCC concrete strips is beyond the generally-accepted limits for such an alternative, and warned that the City would be potentially vulnerable to legal challenge if it pursued this alternative. The Attorney advised that, the City wishes to eliminate the strips, it should revise the contract documents and specifications and rebid the project.

Status of the Bid

The contract documents for the bid opened on September 15 provided that the bid would expire in 90 days, i.e., by December 15. After that date, the City Council could still award the bid, but the bidder is not obligated to execute the contract or honor the bid price. If, as of December 21, the Council does not want to award the bid, they need not take any action to deny the bid since it has now expired.

Summary of Options

The first two alternatives, the City acting as general contractor and the City accomplishing some components of work with its own personnel appear to be counterproductive given the present limitations of staff resources and requirements of federal regulations. The reduced scope of work would only be viable if the City rebid the project.

Project Budget

It is expected that, even with elimination of the PCC concrete strips, the cost of the project will exceed the current \$50,000 budget by as much as \$20,000. The Council may re-program \$20,600 in unused CDBG funds that had been allocated to the 28th Street Improvements Project to this project. (The 28th Street Improvements project is proposed to be completed as part of the Oak Park Senior Housing Project using funds other than CDBG.) A resolution to accomplish such re-programming and establish a new project budget of \$70,000 is attached.

Policy

Reference: State Public Contracts Code. Federal regulations for the Community Development Block Grant Program

Fiscal

Impact: No impact to the City's General Fund.

Options: Upon completion of a public hearing, take one of the following actions:

- a. (1) Direct staff to revise the contract documents and specifications to eliminate the PCC concrete strips and rebid the project;
- (2) Adopt attached Resolution No. 04-xx , which would (a) amend the 2002 Annual Action Plan to reprogram the \$20,600 in 2002 CDBG funds from the 28th Street Improvements Project to the LED-Lighted Crosswalk Project; and (b) re-appropriate CDBG funds as necessary to accomplish these objectives.
- b. Amend, modify or reject the forgoing option.

Prepared By:

Ed Gallagher
Housing Programs Manager

Attachment: Resolution No. 04-xx

ED\CDBG\04\ACTION PLAN AMENDMENT CCR 110204

RESOLUTION NO. 04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AMENDING THE 2002 ANNUAL ACTION PLAN FOR THE CITY'S
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND
RE-APPROPRIATING CDBG FUNDS

WHEREAS, the City has been notified by the Federal Department of Housing and Urban Development (HUD) that it is entitled to receive Community Development Block Grant (CDBG) funds; and

WHEREAS, via a Cooperation Agreement with the County of San Luis Obispo (hereafter referred to as ("County")) executed on July 16, 2002, the City waived its individual entitlement status for a period of three years in order that the County and the cities located therein may qualify as an "Urban County"; and

WHEREAS, via the Cooperation Agreement, the City retains the authority to determine which projects are to be funded with its allotment of CDBG funds; and

WHEREAS, in 2002, via Resolution 02-38, the City Council allocated \$20,610 in CDBG funds to design street improvements for the north side of 28th Street, adjacent to the proposed Oak Park Senior Housing Project; and

WHEREAS, in 2002, via Resolution 02-156, the City Council appropriated \$20,600 in CDBG funds for the 28th Street Improvement Project to Account No. 227-910-5452-340; those funds have been carried over to Fiscal Year 2004/2005; and

WHEREAS, the Paso Robles Non-Profit Housing Corp., the developers of the proposed Oak Park Senior Housing Project, contracted with an engineering firm to prepare the street improvement design before the CDBG funds were available, and in doing so, invalidated the use of CDBG funds for that purpose and decided to use other funds to design the street improvements; and

WHEREAS, a total of \$50,000 in 2002 and 2003 CDBG funds were allocated to install an LED-Lighted Crosswalk at the intersection of 24th and Oak Street; of that amount, \$7,600 has been spent for design and bidding costs; and

WHEREAS, based on bids received for the LED-Lighted Crosswalk at 24th and Oak Streets, it appears that an additional \$20,000 will be needed to be allocated and appropriated to this project; and

WHEREAS, both the 28th Street Improvements and LED-Lighted Crosswalk are located in Census Tract 101, in which more than 51 percent of the residents are of "low and moderate income" (i.e., households that earn 80 percent or less of the area median income), and are/were activities that served the National Objectives of benefit to persons of low and moderate income; and

WHEREAS, on September 29, 2004, the City published a notice in the *Paso Robles Press*, stating the nature of the proposed amendments to the 2002 Annual Action Plan and indicating that the City Council would conduct a public hearing to consider the amendments on November 2, 2004; and

WHEREAS, at its meeting of November 2, 2004, the City Council conducted a public hearing to obtain public testimony on the proposed amendment to the 2002 Annual Action Plans and continued the public hearing to December 21, 2004.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, as follows:

SECTION 1: The Board of Supervisors for the County of San Luis Obispo is hereby requested to amend the 2002 Annual Action Plan to eliminate the 28th Street Improvements (Design) activity, and reallocate the \$20,610 to the LED-Lighted Crosswalks Project, which is also described in the 2002 Annual Action Plan. The 28th Street Improvements (Design) activity will be carried out by the Paso Robles Nonprofit Housing Corp. with an alternative source of funds.

SECTION 2: To re-appropriate \$20,600 in CDBG funds from Account No. 227-910-5452-340 (28th Street Improvements) to Account No. 227-910-5452-341 (LED-Lighted Crosswalk at 24th and Oak Streets).

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 21st day of December 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk