



City Council Report

DATE: March 24, 2026

TITLE: **Accepting Improvements for the Campbell Priority Development Area Enhancements on Civic Center Drive at Second and Third Streets Project No. 25-DD, Directing the Public Works Director to File Notice of Completion, and Authorizing the Finance Director to Perform a Future Budget Adjustment (Resolution/Roll Call Vote)**

RECOMMENDED ACTION:

That the City Council adopt a resolution for: 1) accepting the improvements for the Campbell Priority Development Area Enhancements on Civic Center Drive at Second and Third Streets Project No. 25-DD; 2) directing the Public Works Director to file the Notice of Completion; and 3) authorizing the Finance Director to perform a future budget adjustment transferring any project balance to future phase of the Campbell Priority Development Area Enhancements Project on Orchard City Drive at North Central Avenue.

BACKGROUND

On October 15, 2024, the City Council adopted Resolution #13221 approving the plans and specifications and authorizing the solicitation of bids for the Campbell Priority Development Area Enhancements on Civic Center Drive at Second and Third Streets Project No. 25-DD (Project). The Project proposes to improve pedestrian safety by modifying intersection curb lines and upgrading curb ramp locations at the intersections of Civic Center Drive at Second and Third Streets.

The City Clerk received and opened five bid proposals on November 7, 2024 ranging from \$815,471 to \$1,118,750. The lowest, responsive bid proposal of \$815,471 was submitted by Guerra Construction Group of Santa Clara, CA. The low bid including 10% contingency in the amount of \$897,018 was \$25,771 over the authorized amount of \$871,200. On November 19, 2024, the City Council adopted Resolution #13228 authorizing an increased amount of \$815,471 plus a 10% contingency totaling \$896,971 and approving the award of the construction contract to Guerra Construction Group. The construction contract was fully executed on December 18, 2024.

DISCUSSION

Construction activities began on March 24, 2025. The Project modified curb lines and installed Americans with Disabilities Act (ADA) compliant directional curb ramps at the intersections of Civic Center Drive at Second and Third Streets. These improvements

shortened the distances between curb ramps crossing Civic Center Drive. The two intersections were repaved to create marked crosswalks that adhere to Public Right-of-Way Accessibility Guidelines (PROWAG). The revised curb line at the southwest corner of Civic Center Drive and Third Street includes the installation of a biotreatment area that treats and filters storm water runoff before it enters into the City’s storm sewer system. The Project also installed new pavement markings and striping.

As of January 5, 2026, the project was completed in accordance with the approved plans and specifications.

FISCAL IMPACT

The Project was completed under budget as outlined below:

SOURCE OF FUNDS

	Total Adopted Budget
Vehicle Impact Fees	\$170,000
American Rescue Plan Act (ARPA)	\$735,200
ADA Improvements (24-HH) (ARPA)	\$50,000
FY2025 ARPA Interest Earnings	\$25,771
TOTAL	\$980,971

USE OF FUNDS

	Budget	Actual
Construction Engineering	\$84,000	\$106,335
Construction Contract and Contingency	\$896,971	\$782,704
TOTAL	\$980,971	\$889,039

Total Project Savings:		\$91,932
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The total adopted budget of \$980,971 was approved by the Resolution #13228.

The actual construction engineering cost exceeded the previously proposed use of funds due to additional staff time required for analyzing and adjusting design to conform to field conditions at the two intersections.

However, the final construction contract cost was \$782,704, which is \$114,267 lower than the authorized amount of \$896,971. A savings of approximately \$92,000 after the project completion came from deleting and modifying some of the contract work to conform to existing field conditions.

Staff recommends transferring the project balance to the next phase of the Campbell Priority Development Area Enhancements Project (Phase II) at the intersection of Orchard City Drive and North Central Avenue. Staff is currently finalizing the bid documents. Phase II will be presented to the City Council at a later date.

RETENTION AND PARTIAL WITHHOLDING

In accordance with the City's General Provisions Section 9-2.06B 'Retention', the City is withholding \$39,135 in retention as security for fulfillment of the contract by the contractor. This amount is 5% of the construction contract value of \$782,704.

During the term of the contract, the prime contractor and the subcontractors incurred labor compliance violations. Pending audit from the City's labor compliance consultant, a Notice of Withholding of Contract Payments will be sent in accordance with Labor Code Section 1742 and 1771.6 to the prime contractor advising an estimated maximum wage restitutions to workers, liquidated damages, and penalties. The date of delivery of the Notice of Withholding of Contract Payments marks the beginning of a 60-day period in which the contractors could make wage restitutions to their workers or file an appeal with the City. If at the end of the 60-day period, the contractor fails to make wage restitutions, the City will use the withholding funds to distribute the wages owed in accordance with information on the certified payrolls followed by a letter to the California Department of Industrial Relations stating wage distribution information. If the contractor pays restitution, the City will only retain the liquidated damages and penalties portion per Labor Code Section 1775 and 1813.

The City will file a Notice of Completion with the Santa Clara County Recorder's Office after the 60-day restitution period. Notwithstanding any moneys included in the Notice of Withholding, the retention balances are released 35 days following the filing of the Notice of Completion with the Santa Clara County Recorder's Office.

The proposed Resolution has been prepared for: 1) accepting the improvements for the Campbell Priority Development Area Enhancements on Civic Center Drive at Second and Third Streets Project No. 25-DD; 2) directing the Public Works Director to file the Notice of Completion; and 3) authorizing the Finance Director to perform a future budget adjustment transferring any project balance to future phase of the Campbell Priority Development Area Enhancements Project on Orchard City Drive at North Central Avenue.

ALTERNATIVES

Do not accept improvements and budget adjustments and direct staff accordingly.

PREPARED BY: Fredrick Ho, Senior Civil Engineer

Report Approval Details

Document Title:	Report - Accepting Improvements for the Campbell Priority Development Area Enhancements on Civic Center Drive at Second and Third Streets Project No. 25-DD.docx
Attachments:	25DD_Project Acceptance Resolution.docx 25DD_Notice of Completion.docx
Final Approval Date:	March 18, 2026

This document and all of its attachments were approved and signed as outlined below:



Amy Olay, Public Works Director



Will Fuentes, Finance Director



Andrea Sanders, City Clerk



Brian Loventhal, City Manager