



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

**SUBJECT: PROPOSITION 84 FUNDING/
MARTHA GARDENS ALLEYWAYS
PROJECT**

DATE: January 7, 2015

Approved

Date

1/9/15

INFORMATION

This memorandum is intended to provide an update on the status of the Proposition 84 Funding/Martha Gardens Alleyways project.

The Martha Gardens Alleyways Project is a “Green Streets Pilot Project” that utilizes State Proposition 84 grant funding to reconstruct this alleyway by incorporating “Green Streets” elements that capture, filter and infiltrate storm water runoff into the subsurface soils. Improvements to the alleyways’ drainage system and repaving will reduce ponding and blight and eliminate mud and silt from entering the storm sewer system. This project is located between S. 2nd and S. 3rd Streets and Margaret and Martha Streets in District 3.

As a condition of receiving Proposition 84 funds, the State requires awarding bodies to have a Department of Industrial Relations (DIR) approved Labor Compliance Program (LCP) prior to award and construction of any Proposition funded projects. Even though the City has had a long-standing commitment to prevailing wage and has consistently had one of the more robust, aggressive and proactive prevailing wage programs, it is not a DIR approved labor compliance program.

There are three other City projects, in addition to Martha Gardens Alleyways project, that are being impacted due to this requirement for an approved LCP:

- Park Avenue Green Street Pilot Project
- Ocala Avenue Green Street Project
- Chynoweth Avenue Green Street Project

Activity Since June 2014

On June 10, 2014, City Council adopted a resolution approving the City’s Labor Compliance Program and application which was then transmitted to the DIR for review. After a phone interview with City staff, the DIR denied the application with little feedback. After additional

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coordination, the City did receive written comments from the DIR. The City made the requested changes and resubmitted the application and procedures manual to the DIR in December 2014, including additional documentation from the City Attorney's Office regarding their own experience administering labor compliance issues.

Current Status

- The DIR is currently reviewing the City's resubmitted LCP application and manual.
- The City's contractor has extended their low bid price of \$834,868 until February 4, 2015.
- Josue Garcia (CEO of the Santa Clara and San Benito Counties Construction and Building Trades Council) sent a letter to the DIR Director supporting the City's application and will follow-up with a phone call in January.
- The Director of Public Works has sent a letter to the DIR Director requesting an expedited review of the City's application.

Next Steps

The DIR has up to 60 days to review the City's revised LCP application and manual which was resubmitted on December 11, 2014.

In the event our LCP is approved on or prior to February 4, 2015, the Director of Public Works will award the construction contract to Wattis Construction, Inc. If the LCP is approved after February 4, 2015, the City will rebid the project.

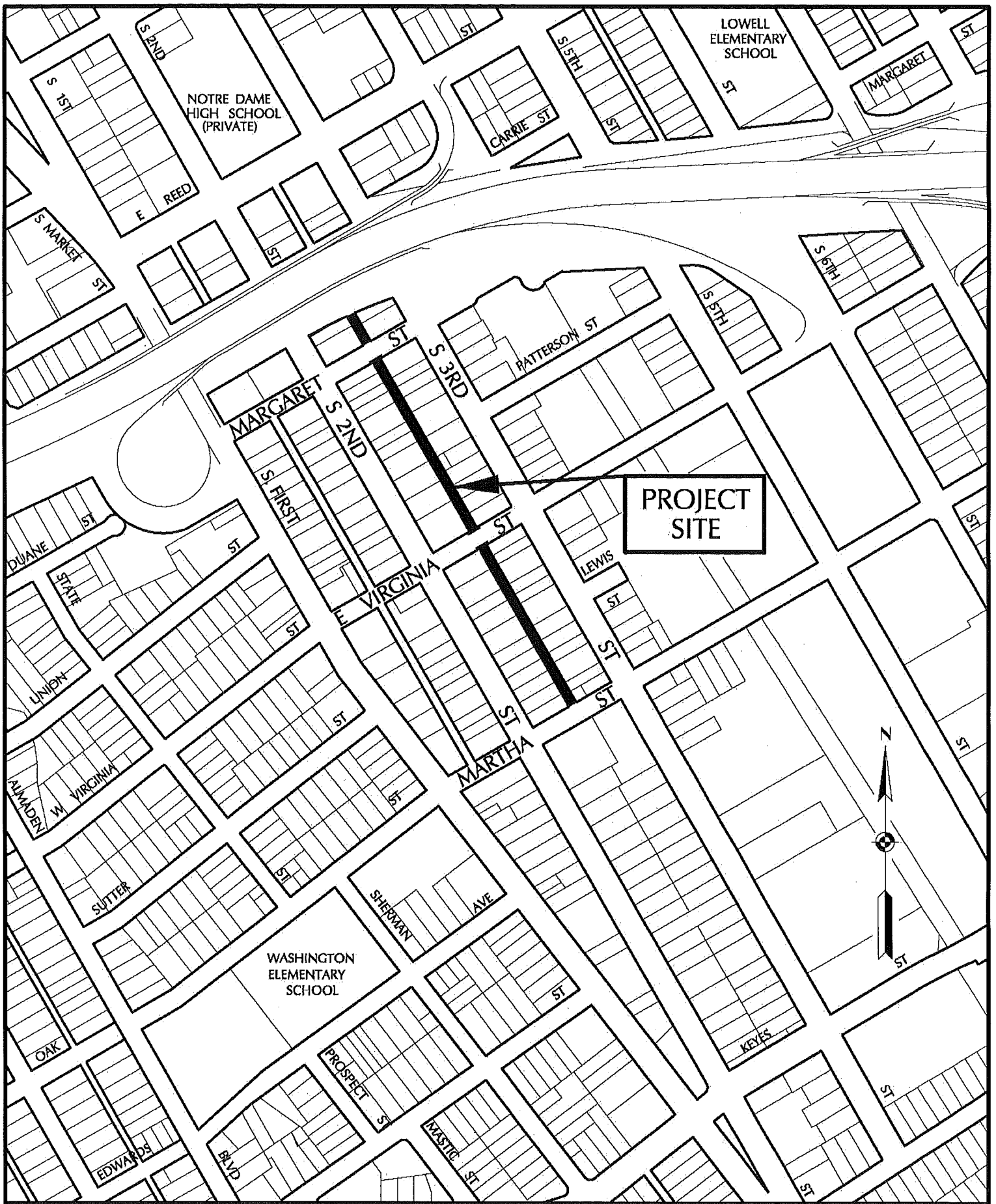
If the project construction cannot be completed by August 1, 2015, staff will request an extension from the State Water Resource Control Board in order to preserve the grant funding reimbursement opportunity.

/s/

DAVID SYKES

Director of Public Works

For questions, please contact Michael O'Connell, Deputy Director, at 408-535-8300.



6909 – MARTHA GARDENS GREEN ALLEYS PILOT PROJECT

LOCATION MAP
NOT TO SCALE