



STAFF REPORT

City Council

Meeting Date:

9/30/2025

Staff Report Number:

25-141-CC

Consent Calendar:

Authorize the city manager to execute an amended memorandum of understanding with the San Mateo County Transportation Authority to complete the landscaping phase of the Willow Road and U.S. Highway 101 project

Recommendation

Staff recommends the City Council authorize the city manager to execute an amended memorandum of understanding (MOU) with the San Mateo County Transportation Authority (SMCTA) to complete the landscaping phase of the Willow Road and U.S. Highway 101 project (Attachment A). The amendment modifies the roles and responsibilities for project delivery to ensure the lowest cost and most efficient schedule to complete the work.

Policy Issues

The City Council provides direction to the city manager regarding services to the community; authorizes the city manager to execute agreements; and sets prioritization for the use of City resources to serve the community. The Willow Road and U.S. Highway 101 interchange improvements project (Project) was first included in the fiscal year 2012-13 capital improvement plan.

Background

In 2019, Caltrans completed modification of the interchange at Willow Road and U.S. Highway 101 from its former “full cloverleaf” style to a “partial cloverleaf” style similar to the Marsh Road and Highway U.S. 101 interchange. This eliminated the short weaves on Willow Road and the freeway. The project replaced the existing interchange with a new, wider bridge; adding sidewalks, striped bicycle lanes and separated bicycle lanes on both sides of Willow Road; and added two signalized intersections. Caltrans began construction in May 2017, and the project was completed in June 2019.

As is typical for a Caltrans construction process, the interchange construction included only the infrastructure portion of the project. The landscaping design and landscaping construction phases are being performed as a separate follow-up project, similar to the Broadway interchange in Burlingame (construction was completed from 2014 to 2017 and landscaping construction began in spring 2025). The landscaping phase for both projects was also required to be scheduled after the completion of the San Mateo U.S. Highway 101 Express Lanes project, which began operation in 2023.

The City Council held a study session July 12, 2022, on the landscaping phase of the interchange project

and provided direction to staff to pursue a Caltrans-standard landscaping plan, that could be designed and installed within the budget available from the SMCTA. This concept design reflected Caltrans and other stakeholder reviews and adds approximately 120 more trees than were in place before the interchange reconstruction. On Aug. 29, 2023, City Council authorized the execution of a MOU with SMCTA that outlined roles and responsibilities to complete the project (Attachment B). The MOU identified the roles of SMCTA and the City as it relates to this project and provides funding to the City to complete the next phase of work. The specific roles in the MOU include:

- Prepare construction documents, led by the City.
- Install landscaping, led by SMCTA.
- Oversee plant establishment, included as part of the landscape installation contract, with inspection provided by the City.

Analysis

Over the last several years, staff has been working with Caltrans, SMCTA, and the City of East Palo Alto to advance the landscaping project within the Caltrans right-of-way through final design. About half of the intersection is within the City of East Palo Alto, though the City of Menlo Park has been the local agency lead on the interchange project from the outset.

Following execution of the MOU with SMCTA in October 2023, 60%, 90%, and 100% plans were developed and submitted for reviews by the City, Caltrans, SMCTA and the City of East Palo Alto. Resolution of the utility connections, including how to provide water for irrigation of the landscape area from the City of East Palo Alto and Menlo Park Municipal Water, as well as development of construction traffic plans took longer than originally anticipated. Final plans are anticipated to be delivered to the City for bidding in mid-October. The current project status is also noted on the project website (Attachment C).

After the 100 percent plans were prepared, SMCTA staff expressed concerns about the project costs potentially exceeding the available budget. SMCTA, according to the 2023 MOU, was to administer and award the construction phase. Staff met with SMCTA representatives to review the project approach and determine which agency could most cost effectively hold the agreement for construction management services and the construction contract; staff from both agencies concurred that the city could likely hold the contracts at a lower cost. In August, the City released a request for proposals for construction management services, and proposals were received on September 17 that were approximately \$140,000 under SMCTA's estimate. This confirmed that the city could lead the construction phase for at least \$600,000 less due to lower soft costs like project management, contracting and procurement costs. As such, the project would be able to proceed most expediently if the city were to administer and award the construction phase. Because staff continues to hear from the community to ensure the replacement landscaping work proceeds as quickly as possible, staff recommends City Council authorize an amended MOU (Attachment A) with SMCTA that modifies the roles and responsibilities for project delivery.

Schedule

If the City Council authorizes the amended MOU, staff would proceed with putting the construction documents out to bid later this year. It will take several months to advertise and award a construction contract and initiate construction, which is expected in spring 2026 and take one year, followed by a three-year plant establishment period.

Impact on City Resources

The SMCTA set aside \$3.5 million in funds from the Willow and U.S. Highway 101 interchange replacement project for the landscaping phase. At this time, the MOU funds 100% of City of Menlo Park costs from Measure A sales tax funds to develop final construction documents, complete construction, and to provide oversight and inspection of plant establishment. A summary of the anticipated project budget costs are included in Table 1. If the City Council authorizes the amendment, staff would return to amend the budget for this work as part of the mid-year budget in early 2026. The budget amendment is anticipated to be approximately \$3 million and would include revenue from SMCTA as well as an increased expenditure budget for the city to administer the construction contract for the project.

Table 1: Project cost estimate	
Activity	Cost estimate
Design phase	\$430,000
Construction phase	
Construction contract	\$2,670,000
Soft costs (project management, construction management, etc.)	\$1,040,000
Total	\$4,140,000

As shown in Table 1, the total project cost of \$4.14 million still may exceed the available budget of \$3.5 million. Staff from the city and SMCTA are continuing to monitor the project budget and expenses anticipated. The adequacy of the remaining project budget is very dependent on receiving favorable bid results for construction. As such, it is critical to bid the project in the winter, when construction activity is lower and the bidding environment is typically more favorable. City staff will return to City Council and SMCTA staff to the SMCTA Board early next year with an update once bids are received. If sufficient funds are not available, the City could pursue a combination of actions such as requesting additional funding from the SMCTA highway program, electing to absorb project management costs towards the project (anticipated to be approximately \$75,000), and/or repurpose unused design funds towards the construction phase, for example, to reduce the demands on the remaining construction funds.

Environmental Review

Environmental clearance for the project, including landscaping, was obtained by Caltrans Nov. 25, 2013.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Amended MOU

B. Hyperlink – Aug. 29, 2023 Staff Report #23-189-CC:

www.menlopark.gov/files/sharedassets/public/v/2/agendas-and-minutes/city-council/2023-meetings/agendas/20230829-city-council-regular-agenda-packet-w-pres.pdf#page=62

C. Hyperlink – Project website: www.menlopark.gov/Government/Departments/Public-Works/Capital-improvement-projects/Willow-RoadU.S.-101-Interchange

Report prepared by:

Nikki Nagaya, Deputy City Manager

**FIRST AMENDMENT TO
THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAN MATEO COUNTY TRANSPORTATION AUTHORITY AND
THE CITY OF MENLO PARK
FOR THE
US 101/WILLOW ROAD INTERCHANGE IMPROVEMENTS PROJECT**

This FIRST AMENDMENT (First Amendment) to the MEMORANDUM OF UNDERSTANDING FOR SAN MATEO COUNTY NEW MEASURE A HIGHWAY PROGRAM FUNDS for the CITY OF MENLO PARK, US 101/WILLOW ROAD INTERCHANGE IMPROVEMENTS PROJECT (MOU) is made as of _____, by and between the San Mateo County Transportation Authority (TA) and the City of Menlo Park (Sponsor), referred to herein individually as “Party” and jointly as “Parties.”

WHEREAS, on October 1, 2015, through Resolution No. 2015-19, the TA's Board of Directors programmed and allocated up to \$56,400,000 of the New Measure A Highway Program Category funds for the Construction phase (Scope of Work) of the US 101/Willow Road Interchange Improvements Project (Project); and

WHEREAS, construction to replace the interchange was completed in August 2019 and resulted in the removal of trees surrounding the interchange and leaving \$3,500,000 of funds allocated by the TA for Project Construction available in the Project budget; and

WHEREAS, the Parties agree that landscaping activities are considered part of the overall Construction phase, as required by the project’s environmental clearance documents, such that up to \$3,500,000 of the allocated funds may be provided for the Project’s remaining landscaping activities (Scope of Work); and

WHEREAS, on October 10, 2023, the Parties entered into the MOU for the Project, which provided that the TA will implement the landscaping construction activities, and the Sponsor will provide oversight of the construction contractor and provide periodic inspection of plant establishment efforts; and

WHEREAS, due to insufficient funding to implement the landscaping construction activities, the TA has requested that the Sponsor advertise, award, and administer the contracts for construction support and landscaping construction to reduce costs; and

WHEREAS, the Sponsor agrees to advertise, award, and administer the contracts for landscaping construction and construction support; and

WHEREAS, the Sponsor agrees to pay invoices and construction progress payments and seek reimbursement from the TA up to the not-to-exceed amount, for landscaping construction and construction support, and

WHEREAS, the TA shall continue to manage and oversee the consultant(s) and the contractor(s) and maintain responsibility for the construction quality, schedule, and compliance; and

WHEREAS, the Parties desire to amend the MOU to allow the Sponsor to seek reimbursement from the TA for construction support and landscaping construction contracting costs in an amount not to exceed \$3,500,000, and to allow an additional twenty (20) months to complete the Scope of Work.

NOW, THEREFORE, IT IS HEREBY AGREED by the Parties that the MOU is revised and amended as follows:

1. **SCOPE OF WORK.** Section A.2, Scope of Work, is hereby deleted and replaced in its entirety with the following language:

“The Scope of Work, further detailed in Exhibit A, is the implementation of the Project’s landscaping design and construction activities.”

2. **TERM OF AGREEMENT.** Section C.1, Term of Agreement, is hereby deleted and replaced in its entirety with the following language:

“The term of this MOU will commence on the Execution Date and conclude upon the earliest of: (a) the TA's final reimbursement to Sponsor for work performed hereunder, (b) termination by Sponsor or the TA pursuant to this Section C, or (c) on December 31, 2030.”

3. **TIME OF PERFORMANCE.** Section C.2, Time of Performance, is hereby deleted and replaced in its entirety with the following language:

“The Scope of Work must be completed no later than June 30, 2030.”

4. **TA RESPONSIBILITIES.** Section D, TA Responsibilities, is hereby deleted and replaced in its entirety with the following language:

1. “The TA will make available to the Project up to \$3,500,000 of New Measure A funds already allocated for the Project under Resolution 2015-19 for the Scope of Work.
2. For purposes of delivering the Scope of Work, the TA agrees to:
 - a) Manage the Project landscaping construction, including overseeing the agreement for construction management services and the construction contract while developing and carrying out the Project landscaping construction on schedule and within budget;
 - b) Provide technical oversight for performance of the Project landscaping construction and associated deliverables;

- c) Maintain final authority for construction administration, quality control and contract compliance;
 - d) Lead coordination with Caltrans and other permitting agencies as necessary for the Project landscaping construction;
 - e) Obtain the necessary permits and approvals required for the Project landscaping construction, such as the SWPPP;
 - f) Administer the contracts procured by the Sponsor for landscaping construction and construction management to complete the Scope of Work;
 - g) Organize and facilitate regular meetings of a Project Development Team (PDT) comprised of various Caltrans functional units, the Sponsor and representatives from involved local and regional entities to provide input and guidance on the Project landscaping;
 - h) Keep Sponsor apprised of developments, such as potential changes that may affect the scope, schedule, or budget of the Project or Scope of Work; and
 - i) Consult with Sponsor where necessary/appropriate and if requested, participate in public meetings.
3. The TA will actively monitor the Sponsor's progress during the 3-year landscaping establishment period.
 4. The TA will execute a three-party cooperative agreement with Sponsor and Caltrans for oversight services associated with the Scope of Work.
 5. During construction, the TA will prepare and provide Sponsor quarterly status reports including anticipated and expended costs and Scope of Work delivery milestones and schedule forecasts.
 6. The TA will review, process, and audit (at its discretion) invoices and other documentation of expenditures for work performed under this MOU. The TA will also track the accumulation and expenditure of Measure A funds allocated for the Scope of Work, and process other documentation of expenditures in compliance with TA accounting and budgeting requirements."
5. **SPONSOR RESPONSIBILITIES.** Section E, Sponsor Responsibilities, is hereby deleted and replaced in its entirety with the following language:
1. "The Sponsor will perform and complete the Project landscaping design and R/W, either through its own forces or the use of one or more third-party consultants or contractors.

2. For purposes of delivering the Scope of Work, the Sponsor agrees to:
 - a) Manage the Project landscaping design, including developing and carrying out the Project landscaping design on schedule and within budget;
 - b) Lead coordination with Caltrans and other permitting agencies as necessary for the Project landscaping design;
 - c) Obtain the necessary permits and approvals required for the Project landscaping design, including the Caltrans Encroachment Permit;
 - d) Procure and administer the consultant/contractor services to complete the Project landscaping design;
 - e) Organize and facilitate regular meetings of a PDT comprised of various Caltrans functional units, the Sponsor and representatives from involved local and regional entities to provide input and guidance on the Project landscaping design;
 - f) Procure the consultant/contractor services to complete the Project landscaping construction and construction support; including the advertisement and award, of the contracts for landscaping construction and construction support;
 - g) Provide regular inspection during the 3-year plant establishment period for the Project and ensure the successful establishment of highway plantings provided by the Project landscaping construction;
 - h) Keep TA apprised of developments, such as award of contracts or potential changes that may affect the scope, schedule, or budget of the Project or Scope of Work; and
 - i) Consult with TA where necessary/appropriate.
3. During the 3-year plant establishment period, the Sponsor will prepare and provide TA (monthly status reports including anticipated and expended costs and activities.
4. The Sponsor will provide invoices and other documentation of expenditures for work performed under this MOU to be reviewed by the TA.
5. The Sponsor will be responsible for championing the effort of obtaining political and public support for the Project.
6. The Sponsor will be the public face of the Project for purposes of leading outreach efforts to local stakeholders and community members, including coordination of public meetings and solicitation of public comment.
7. The Sponsor will provide input and oversight based on local policies and desires

- regarding the outcome of and deliverables of the Project.
8. The Sponsor will actively participate in the PDT meetings related to the Scope of Work.
 9. The Sponsor may, at its discretion, review the work products and deliverables produced by its contractors/consultants for the landscaping construction Scope of Work, including reports, designs, drawings, plans, specifications, schedules and other materials. Contract change orders that increase the contract amount will be approved by the Sponsor upon recommendation by the TA.
 10. The Sponsor will approve or endorse, in writing, the final deliverables or work products produced by the TA and/or its contractors/consultants for the Scope of Work.
 11. The Sponsor will review progress reports prepared and provided by the TA.
 12. The Sponsor may, at its discretion, review and audit invoices and other documentation of the expenditure of New Measure A funds allocated for the Scope of Work, however the TA retains the ultimate authority for expenditure of New Measure A funds on the Project.”
6. **EFFECT.** Except as and solely to the extent amended by this First Amendment, the MOU will continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed by the persons authorized to act in their respective names on the day and year first written above.

CITY OF MENLO PARK

By: _____
Name: Justin I.C. Murphy
Its: City Manager

APPROVED AS TO FORM

Legal Counsel for the City of Menlo Park

**SAN MATEO COUNTY TRANSPORTATION
AUTHORITY**

By: _____
Name: April Chan
Its: Executive Director

APPROVED AS TO FORM

Legal Counsel for the TA

EXHIBIT A: SCOPE OF WORK INFORMATION

US 101/Willow Road Interchange Improvements Project Construction Phase Landscaping Activities

Sponsoring Agency: City of Menlo Park

Contact: Azalea Mitch, Public Works Director
650-330-6692, aamitch@menlopark.gov
701 Laurel Street
Menlo Park, CA 94025

Lead/Implementing Agency: San Mateo County Transportation Authority (SMCTA)

Contact: Lili Price, Project Manager
650-208-4442, pricee@samtrans.com
1250 San Carlos Avenue
San Carlos, CA 94070

Project Description and Scope of Work:

The Project, funded by Measure A, will deliver landscaping improvements at the US 101/Willow Road Interchange, including final design, bid preparation, construction, and associated plant establishment activities.

Scope of Work Schedule:

	<u>Begin</u>	<u>End</u>
PS&E & Right of Way (Landscaping)	10/2023	10/2025
Construction (Landscaping)	01/2026	06/2030

Project Budget/ Source of Funding:

Include funding plan for project defined above, including use of TA Technical Assistance if applicable

Phase	Measure A Funding Amount	Other Sources*		Total
		List Fund Source	Amount	
PS&E & Right of Way (Landscaping)	\$430,000			\$430,000
Construction (Landscaping)	\$3,070,000			\$3,070,000
Total:	\$3,500,000		\$0	\$3,500,000

* The other fund sources are provided for informational purposes.

Operating Responsibility: State of California

Maintenance Responsibility: State of California

Project Implementation Responsibility: SMCTA

Project Oversight Responsibility: SMCTA and City of Menlo Park