



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Sara L. Hensley
Larry D. Lisenbee

SUBJECT: WELCH PARK IMPROVEMENTS
PROJECT

DATE: 01-18-06

Approved

Date

1/27/06

Council District: 8
SNI: K.O.N.A.

RECOMMENDATION

- a) Report on bids and award of contract for the Welch Park Improvements Project to the low bidder, Suarez and Munoz Construction, to include the base bid and Add Alternate Nos. 1 and 2 in the total amount of \$432,750, and approval of a contingency in the amount of \$36,000.
- b) Adoption of the following Appropriation Ordinance and Funding Resolution Amendments in the Services for Redevelopment Capital Projects Fund (City-wide Redevelopment Fund):
 1. Increase the appropriation to the Department of Parks, Recreation and Neighborhood Services for the Welch Park Improvements Project (PSM#3641) in the amount of \$157,000.
 2. Increase the Estimate for Earned Revenue by \$157,000.

CEQA: Exempt, PP04-320

BACKGROUND

Welch Park is an 11-acre park located in the King Ocala Neighborhood Area (K.O.N.A.) of the Strong Neighborhoods Initiative Redevelopment Project Area. The park is bounded by Santiago Avenue to the north, Huran Drive to the west, Clarice Drive to the south and Smith Elementary School to the east (map attached).

Improvements to Welch Park were identified as one of the top ten desired items (No. 7) within the 2002 K.O.N.A. Neighborhood Improvement Plan. As a result, the San José Redevelopment Agency (SJRA) allocated funding in the 2003-2004 fiscal year to begin planning and design efforts. In the 2004-2005 fiscal year, the Department of Parks, Recreation and Neighborhood Services (PRNS) successfully

acquired \$200,000 in Community Development Block Grant (CDBG) funding in support of this project. In 2005-2006, PRNS acquired an additional \$197,305 in CDBG funding for the project. In addition, the Redevelopment Agency contributed \$78,000 for the design of this project in March of 2004. The Agency has committed an additional \$157,000, recommended for appropriation in this memorandum, to cover the gap in funding necessary to complete the project. Construction is scheduled to begin in March 2006 with completion in October 2006.

The base bid scope of work for this project includes installation of group picnic areas including picnic tables and barbeque units, shade structure, turf renovation, tree planting, irrigation modifications, new concrete pathways, drinking fountain, lighting improvements, park signs, softball field bleachers, handicap access ramps and other miscellaneous site amenities.

In addition to the base bid scope of work, there are two Add Alternate bid items as follows:

Description

Add Alternate No. 1: Replace concrete around community center building, replace existing picnic table and install pathways.

Add Alternate No. 2: Installation of additional site furniture and replacement of existing drinking fountain.

All professional and technical services for this project are being performed by the Department of Public Works staff and include design and preparation of construction documents, construction management and inspection of the work.

ANALYSIS

Bids were opened on November 10, 2005 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
HRB Construction, Inc. (Fremont)	\$504,100	\$49,900	\$554,000	\$178,000	47
Scapes, Inc. (Half Moon Bay)	448,509	88,355	536,864	160,864	43
Calstate Construction, Inc. (Fremont)	437,600	102,600	540,200	164,200	44
ESR Construction, Inc. (San José)	435,000	83,000	518,000	142,000	38
AJ Vasconi General Engineering (Concord)	429,400	116,450	545,850	169,850	45
Blossom Valley Construction, Inc. (San José)	422,215	92,200	514,415	138,415	37

Sposeto Engineering, Inc. (Union City)	423,351	89,260	512,611	136,611	36
Robert A. Bothman, Inc. (San José)	397,133	71,426	468,559	92,559	25
Lone Star Landscape, Inc. (San Martin)	388,000	60,000	448,000	72,000	19
Suarez and Munoz Construction (Oakland)	357,750	75,000	432,750	56,750	15
Engineer's Estimate	320,000	56,000	376,000	--	--

<u>Contractor</u>	Add Alt	Add Alt
	<u>No. 1</u>	<u>No. 2</u>
HRB Construction, Inc.	\$40,800	\$9,100
Scapes, Inc.	79,560	8,795
Calstate Construction, Inc.	92,000	10,600
ESR Construction, Inc.	65,000	18,000
AJ Vasconi General Engineering	52,700	63,750
Sposeto Engineering, Inc.	66,412	22,848
Blossom Valley Construction, Inc.	79,500	12,700
Robert A. Bothman, Inc.	43,483	27,943
Lone Star Landscape, Inc.	49,000	11,000
Suarez and Munoz Construction	60,000	15,000
Engineer's Estimate	45,000	11,000

The low bid submitted by Suarez and Munoz in the amount of \$432,750 for the base bid and Add Alternates No. 1 and 2 is 15 percent over the Engineer's Estimate. An evaluation of the Engineer's Estimate indicated anticipated lower costs for demolition, grading and planting. Although the bid is higher than the estimated cost for the project, there is nothing significant in the project that can be deleted that would result in bids closer to the estimate and staff does not believe that rebidding the project will result in a significantly improved bid. Furthermore, the bids received are indicative of the industry-wide escalations currently being experienced for all categories of construction. Accordingly, the bid is considered acceptable for the work involved in the project.

Staff is recommending that the base bid plus Add Alternates No. 1 and No. 2 be awarded to complete the improvements as approved by the community. Additional funds have been identified to provide for the difference in the Engineer's Estimate and the available funding.

Council policy provides for a standard contingency of five percent on public works parks projects. However, on this project, a contingency of eight percent is recommended to accommodate unknown conditions due to a lack of accurate record drawings and unknown underground utilities at various

locations throughout the park. With the approval of recommendations included in this memorandum, there will be sufficient funds to provide for the recommended eight percent contingency.

OUTCOME

Approval of this construction contract to Suarez and Munoz will enable the Welch Park Improvements Project to be implemented with scheduled completion in October 2006. Approval of the eight percent contingency will provide funding for unforeseen conditions during construction of this project.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record* and *San José Mercury News*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the San José Redevelopment Agency, the Departments of Planning, Building and Code Enforcement, and the City Attorney's Office.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$432,750
2. COST OF PROJECT:

Construction	\$432,750
Project Delivery	163,555
Contingency	<u>36,000</u>
TOTAL PROJECT COSTS	\$632,305
Prior Years Expenditures	(47,486)
REMAINING PROJECT COSTS	\$584,819

3. SOURCE OF FUNDING: 450 – San José Redevelopment Agency
441 - Community Development Block Grant (CDBG)
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and estimated to be approximately \$2,000 annually, beginning in October 2006. If the maintenance resources required

for this facility are not forthcoming, the maintenance of this facility will be absorbed by the Department of Parks, Recreation and Neighborhood Services. There will be a corresponding drop in the maintenance level of other facilities, particularly in the immediate area, to accommodate the maintenance of these new improvements.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Current Funding Available							
450	4903	Welch Park Design	132903	\$30,514	\$0	V-660	10/18/05 Ord. No. 27580
441	4971	Welch Park Improvements	132903	397,305	337,000	X-14	
Additional Funding Recommended							
450	4903	Welch Park Improvements	132903	157,000	95,750		
Total Funding for Remaining Project Costs				\$584,819	\$432,750		

CEQA

Exempt, PP04-320, May 9, 2005


 KATY ALLEN
 Director, Public Works Department


 SARA L. HENSLEY
 Director, Parks, Recreation and
 Neighborhood Services Department


 LARRY D. LISENBEE
 Budget Director

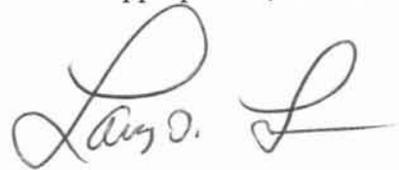
HONORABLE MAYOR AND CITY COUNCIL

01-18-06

Subject: Welch Park Improvements Project

Page 6

I hereby certify that there will be available for appropriation from the Redevelopment Agency (City side) in the Fiscal Year 2005-2006 monies in excess of those heretofore appropriated, there from said excess being at least \$157,000.

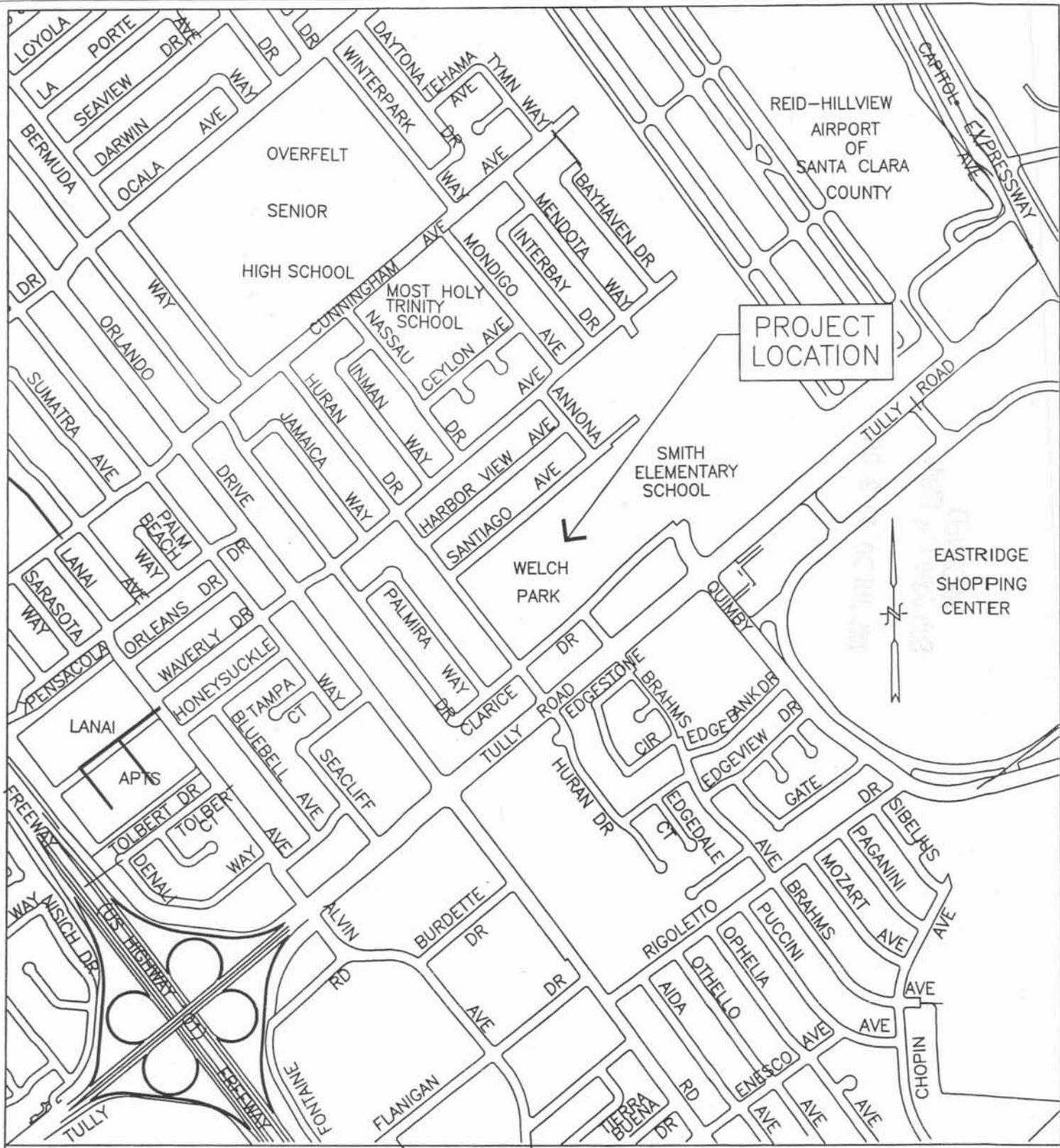
A handwritten signature in black ink, appearing to read "Larry D. Lisenbee". The signature is written in a cursive style with a large initial "L" and "D".

LARRY D. LISENBEE
Budget Director

Attachment

KJ:wt:lr:sp

Welch Award 02.07.06.doc



PROJECT LOCATION

WELCH PARK
 LOCATION MAP
 NO SCALE