



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Jennifer Maguire

SUBJECT: SEE BELOW

DATE: 01-24-07

Approved

Date

1/31/07

COUNCIL DISTRICT: 4

SUBJECT: ADOPTION OF 2006-2007 APPROPRIATION ORDINANCE AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$48,000 AND AWARD OF CONTRACT FOR THE ZANKER ROAD MEDIAN ISLAND LANDSCAPE IMPROVEMENT PROJECT (TRIMBLE RD. TO PLUMERIA DR.)

RECOMMENDATION

- a) Report on bids and award of contract for the Zanker Road Median Island Landscape Improvement Project (Trimble Rd. to Plumeria Dr.) to the lowest responsive bidder, Lone Star Landscape, Inc., in the amount of \$445,000, and approval of a contingency in the amount of \$22,000.
- b) Adoption of the following 2006-2007 Appropriation Ordinance Amendments in the Services for Redevelopment Capital Projects Fund:
 1. Increase the appropriation to the Public Works Department for the Zanker Road Median Island Project by \$48,000.
 2. Decrease Ending Fund Balance by \$48,000.

OUTCOME

Award of the contract to Lone Star Landscape, Inc., will enable the Zanker Road Median Island Landscape Improvement Project (Trimble Rd. to Plumeria Dr.) to proceed. Approval of the five percent contingency will allow funding for any unanticipated work necessary for the proper completion or construction of the project. Adoption of the appropriation ordinances and funding sources resolutions concurrent with the award of contract will provide additional funding needed to construct this project.

BACKGROUND

The Zanker Road Median Island Landscape Improvement Project site consists of two existing median islands on Zanker Road, between Trimble Road and Plumeria Drive (map attached). The medians are located in the North San José Innovation Triangle, San José's premier technology park, and the landscaping of these median islands has been identified by the Office of Council District 4 and the San José Redevelopment Agency as a high priority.

The project consists of the installation of trees, irrigation, decorative paving and mulch. The landscaping will enhance the appearance of Zanker Road, a major arterial road, and could serve as a catalyst for new development and reinvestment in the surrounding industrial park. Upon completion, the landscaped medians will provide visual enhancements to the street that will benefit the surrounding commercial and residential neighborhood.

Construction will begin in April with completion in July 2007.

ANALYSIS

Bids were opened on November 30, 2006 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
B & B Landscape, Inc. (San José)	\$497,860	\$37,156	8
Engineer's Estimate	467,704	---	---
Suarez & Munoz Construction, Inc. (Hayward)	467,335	9,371	2
Lone Star Landscape, Inc. (San Martin)	445,000	(26,414)	(5)
T & L Landscaping (San José)	433,040	(38,664)	(8)

The bid submitted by the apparent low bidder, T & L Landscaping, is nonresponsive because it did not include the signed acknowledgement of the bid addendum. The bid addendum contained information about the manner in which the project is to be constructed. Accordingly, the addendum is considered material to the bid documents and the requirements to sign and submit the acknowledgement with the bid cannot be waived as a minor irregularity.

The lowest responsive bid submitted by Lone Star Landscape, Inc. is five percent below the Engineer's Estimate. Staff considers the low bid to be acceptable.

Council Policy provides for a standard contingency of five percent on Public Works street projects. The funds budgeted for this project are sufficient to provide for the recommended contingency.

Unexpended funds in the Services for Redevelopment Capital Projects Fund (City-Side Redevelopment Fund) resulting from project savings are due back to the Redevelopment Agency. The Agency has agreed that \$48,000 of this refund be used for this project.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the criteria listed above. Redevelopment Agency staff has met with the adjacent property owners and updated them on the project scope of work. Additionally, to solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects were provided to various contractor organizations and builder's exchanges.

Although this project does not meet the \$1 million threshold for Criterion 1, this memorandum will be posted on the City's website for the February 13, 2007 Council agenda.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Project Delivery	\$149,000
Construction Contract	445,000
Utility Connection Fees and Tariffs	7,000
Contingency	22,000
TOTAL PROJECT COSTS	623,000
Prior Year Expenditures	13,000
REMAINING PROJECT COSTS	\$610,000

2. COST ELEMENTS OF CONSTRUCTION CONTRACT

Mobilization, Clearing, Demolition and Excavation	\$215,000
Storm Water Pollution Prevention	2,000
Traffic Control	10,000
Grading, Concrete and Decorative Paving Material	108,000
Irrigation and Electrical	80,000
Planting and Maintenance	30,000
TOTAL CONSTRUCTION CONTRACT	\$445,000

3. SOURCES OF FUNDING: 450 – Services for Redevelopment Capital Projects Fund
429 – Building & Structure Construction Tax Fund

4. OPERATING COST: The annual operating and maintenance costs for this project will be provided by contracts paid for by a special funding district.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn.	Amt For Contract	2006-2007 Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$610,000			
Current Funding Available						
429	4117	Zanker Rd. MIL	\$120,000	\$0	V-1081	10/17/06, Ord. No. 27888
450	4117	Zanker Rd. MIL PSM 468	\$442,000	\$399,000	N/A	10/24/06, Ord. No. 27892

Total Current Funding Available			\$562,000	\$399,000		
Additional Funding Recommended						
450		Ending Fund Balance	\$48,000	\$46,000	N/A	10/17/06, Ord. No. 2788, 27924
Total Additional Funding Recommended			\$48,000	\$46,000		
Total Funding for Project			\$610,000	\$445,000		

CEQA

CEQA: Exempt, PP06-167.



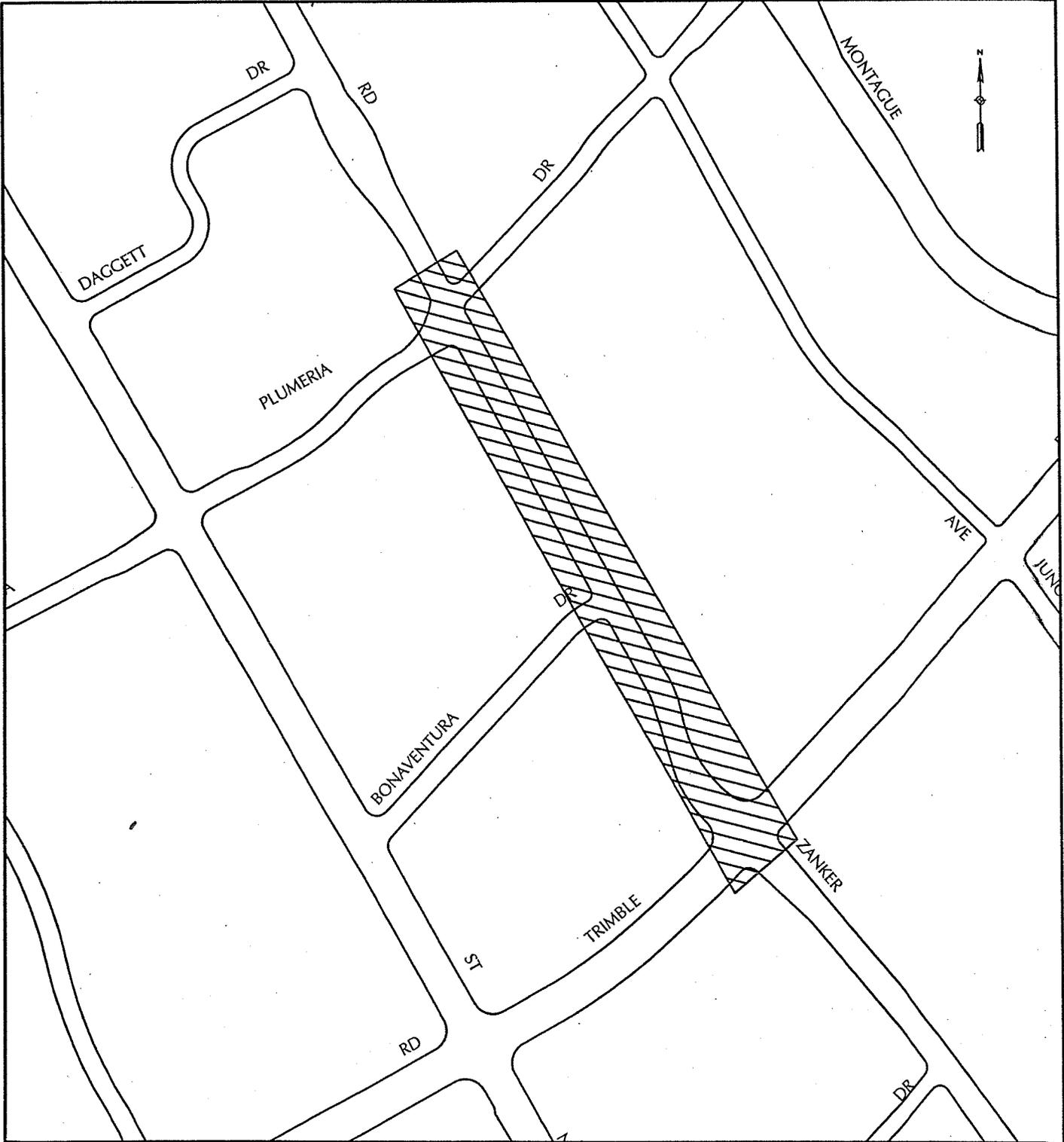
KATY ALLEN
Director, Public Works Department



JENNIFER MAGUIRE
Acting Budget Director

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, DEPARTMENT OF PUBLIC WORKS, at (408) 535-8300.

PD:RP:ew
(tm11807CM2.ZankerRd.doc)
Attachment



ZANKER ROAD MEDIAN ISLAND IMPORVEMENT PROJECT
(TRIMBLE RD TO PLUMERIA DR)