



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

SUBJECT: SEE BELOW

DATE: 01-19-05

Approved

Date

1.25.05

Council District: 4

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE
PENITENCIA CREEK REACH 2 PHASE 1 DEVELOPMENT PROJECT
AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS
IN THE PARK TRUST FUND FOR PARK IMPROVEMENTS AT
PENITENCIA CREEK**

RECOMMENDATION

- a) Report on bids and award of contract for the Penitencia Creek Reach 2 Phase 1 Development Project to the lowest responsive bidder, O.C. Jones & Sons, Inc., for the base bid in the amount of \$830,925, and approval of a contingency in the amount of \$41,500.
- b) Adoption of the following Appropriation Ordinance amendments in the Park Trust Fund:
 1. Increase the Penitencia Creek Neighborhood Park project in the amount of \$20,000
 2. Decrease the Park Trust Fund Reserve: District 4 Parksite Acquisition by \$20,000

CEQA: Mitigated Negative Declaration PP01-03-062.

BACKGROUND

Penitencia Creek Park is a 26 acre park made up of several adjacent parcels of land owned by Santa Clara County (SCC), Santa Clara Valley Water District (SCVWD), the City of San José, and the Berryessa Union School District. The park is surrounded on the east and west by single family residences, on the north by Noble Avenue and on the south by Penitencia Road (map attached). The site is generally flat, containing three percolation ponds, a small grove of walnut trees and the tree-lined Penitencia Creek along the south side of the site adjacent to Penitencia Road.

The scope of work for this project includes a compacted base-rock trail, two bridges, a family picnic area, planting, irrigation and miscellaneous site amenities. Per conditions of the California Department of Fish and Game permit, construction is to begin in June 2005 with completion in October 2005.

ANALYSIS

Bids were opened on December 16, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
ESR Construction, Inc. (San José)	\$1,011,086	\$84,986	9
Valentine Corp. (San Rafael)	988,369	62,269	7
Gordon N. Ball, Inc. (Alamo)	980,500	54,400	6
McGuire and Hester (Oakland)	929,000	2,900	0
Engineer's Estimate	926,100	---	---
Stevens Creek Quarry (Half Moon Bay)	847,500	(78,600)	(8)
O.C. Jones & Sons Inc. (Berkeley)	830,925	(95,175)	(10)

The low bid submitted by O.C. Jones & Sons, Inc., is ten percent under the Engineer's Estimate. The bid is considered to be acceptable for the work involved in the project.

Council policy provides for a standard contingency of five percent on public works parks projects. The standard contingency is appropriate for this project.

From project inception to project award, unprecedented increases in the prices of steel and petroleum products occurred creating a budget shortfall for this project. When the 2004-5 budget was developed, the Department decided to wait for bids to come in to see exactly how much the shortfall was. An additional \$20,000 is required to fully fund the project contingency of \$41,500. It is recommended as part of this memorandum that the additional monies be funded from the Park Trust Fund Reserve: District 4 Parksites Acquisition in the amount of \$20,000. If the contingency funds are not utilized, the \$20,000 will be returned to the Park Trust Fund Reserve: District 4 Parksites Acquisition upon acceptance of the 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*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memo have been coordinated with the City Attorney's Office and the Departments of Planning, Building and Code Enforcement and General Services.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$830,925

2. COST OF PROJECT:

Project Delivery	\$535,411
Construction	830,925
Contingency	<u>41,500</u>

TOTAL PROJECT COSTS **\$1,407,836**

Prior Year Expenditures (367,872)

REMAINING PROJECT COSTS **\$1,039,964**

3. SOURCE OF FUNDING: 375 – Park Trust Fund
381 – Construction and Conveyance Fund, District 4

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 \$7,000 annually, beginning in November 2005. The cost for patrolling the trail portion of this project will be approximately \$1,100 annually, as positions are budgeted for this purpose.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2004-2005 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$ 1,039,964			
Current Funding Available						
375	4116	Penitencia Creek Park Chain Reach 2 Development	\$317,000	\$127,295	V-840	10/12/04 Ord. No. 27267
375	4163	Penitencia Creek Neighborhood Park	\$488,000	\$488,000	V-839	
381	6619	Penitencia Creek Park Chain	\$215,000	\$215,000	V-593	
Total Current Funding Available			\$1,020,000	\$830,295		
Additional Funding Recommended						
375	7012	Reserve: District 4 Parksite Acquisition	\$20,000		V-864	
Total Funding for Remaining Project Costs			\$1,040,000			

CEQA

Mitigated Negative Declaration PP01-03-062.

Katy Allen

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Director, Public Works Department

Albert Salazar
for SARA L. HENSLEY

Director, Parks, Recreation and
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Larry D. Lisenbee

LARRY D. LISENBEE
Budget Director



PENITENCIA CREEK PARKCHAIN - REACH 2 DEVELOPMENT

(PIEDMONT ROAD TO NOBLE AVE.)

LOCATION MAP

NOT TO SCALE