



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
James R. Helmer

**SUBJECT: KING ROAD IMPROVEMENT  
PROJECT – 200 FEET SOUTH OF  
BARBERRY LANE**

**DATE:** 03-10-04

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Approved

Date

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Council Districts: 7, 8  
SNI Area: West Evergreen

## **RECOMMENDATION**

Reports on bids and award of contract for the King Road Improvement Project from 200 feet south of Barberry Lane to King Court to the low bidder, Golden Bay Construction, Inc, in the amount of \$244,167, and approval of a contingency in the amount of \$49,000.

CEQA: Exempt, PP03-10-321.

## **BACKGROUND**

King Road is a north-south four lane arterial street that maintains significant pedestrian, bicycle, and vehicular traffic volume. The project is the only remaining unimproved segment of King Road between Aborn and Tully Roads. The proposed street improvements will add an additional lane for a total of four lanes (two lanes each direction) and sidewalk along the west side of King Road between Barberry Lane and King Court directly fronting three under-developed parcels owned by Entravision Communications Corporation (location map attached). Currently, the frontage of the above properties is unimproved. There is no sidewalk, incomplete roadway improvements and limited street lighting system.

The project required additional right of way from Entravision. On December 2, 2003, Council accepted the subject land donated by Entravision.

The scope of work includes the construction of approximately 520 feet of sidewalk, curb and gutter, asphalt pavement, driveway, new street lighting, street trees, storm drainage, utility pole relocation and undergrounding, tree removal and striping.

Construction is scheduled to begin in June with completion in September 2004.

**ANALYSIS**

Bids were opened on February 26, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount (\$)</u>	<u>Variance Amount (\$)</u>	<u>Over/ (Under) Percent (%)</u>
<b>Engineer's Estimate</b>	<b>346,950</b>	-----	-----
Prism Engineering, Inc. (Hollister)	343,826	(3,124)	(1)
Granite Rock Co dba Pavex Construction (Redwood City)	312,833	(34,117)	(10)
Sposeto Engineering, Inc. (Union City)	294,492	(52,458)	(15)
Wattis Construction Company (San José)	279,797	(67,153)	(19)
Redgwick Construction Company (Hayward)	273,635	(73,316)	(21)
O'Grady Paving Inc. (Mountain View)	272,971	(73,979)	(21)
Granite Construction Company (Watsonville)	249,651	(97,299)	(28)
Golden Bay Construction, Inc. (San Carlos)	244,167	(102,783)	(30)

The low bid submitted by Golden Bay Construction, Inc. is 30 percent below the Engineer's Estimate. This low bid may be attributed to the diminished activity in the construction industry and to the competitive nature of this type of work at this time of the year. The Engineer's Estimate and the low bidder's construction costs were analyzed, and the most significant price differential can be found in four areas: Roadway Excavation, Subgrade Preparation, Asphalt Concrete Pavement and Streetlight System.

Council Policy provides for a standard contingency of five percent on public works street projects. However, on this project a contingency of 20 percent is being requested due to a potential change in scope. The owner of the Entravision parcels is proposing to convert a large portion of the site to a storage facility. Because bids came in significantly below the Engineer's Estimate, and due to a potential development adjacent to the project causing the possible need to adjust some portions of the design, a 20% contingency is being requested. To accommodate development of both facilities, it is necessary to re-scope the project to include two driveways, water laterals and storm and sanitary laterals. Installing these amenities for both facilities at this early stage will avoid disturbing the new pavement and sidewalks in the immediate future. The cost of the project including the cost of the proposed utilities will be subject to reimbursement by the owner of the site and PRNS payable along with other development related fees prior to the

issuance of Public Works clearance. The funds budgeted for this project are sufficient to provide for the recommended contingency.

### **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 public works construction projects are routinely provided to a standard list of various contractor organizations and builder's exchanges.

### **COORDINATION**

This project and memorandum have been coordinated with the City Attorney's Office, City Manager's Budget Office and the Department of Planning, Building and Code Enforcement.

### **COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$244,167

2. COST OF PROJECT:

Project Delivery Cost	\$133,000
Land Acquisition	30,000
Construction	244,167
Utility (SBC) Undergrounding	20,000
Contingency	49,000
TOTAL	<u>\$476,167</u>

3. SOURCE OF FUNDING: 429 - Building and Structure Construction Tax Fund

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 for this project have been reviewed, and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

### **BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2003-04 Adopted Budget Page	Last Budget Action (Date, Ord.No.)
429	4409	King Road:200 ft south of Barberry Lane	123013	\$909,000	\$244,167	Page 811	10/14/2003, Ord. No. 26997

HONORABLE MAYOR AND CITY COUNCIL

03-10-04

**Subject: King Road Improvement Project-200 Feet South of Barberry Lane**

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**CEQA**

Exempt, PP03-10-321.

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JAMES R. HELMER  
Director of Transportation

HF:PD:ew  
(jt030304CM.KingRoad.doc/R&B)  
Attachment