



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen  
Albert Balagso  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** 03-21-07

Approved

Date

3/26/07

**COUNCIL DISTRICT:** 3

**SNI:** Five Wounds/

Brookwood Terrace

**SUBJECT: REPORT ON BIDS AND AWARD OF THE CONSTRUCTION CONTRACT FOR THE ROOSEVELT COMMUNITY CENTER – PACKAGE II RE-BID PROJECT AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND**

## RECOMMENDATION

- a. Report on bids and award of contract for the Roosevelt Community Center - Package II Re-bid Project in the amount of \$13,809,000, for the base bid and Add Alternate Nos. 2 and 3 to the low bidder, West Coast Contractors, Inc., and approval of a contingency in the amount of \$690,450.
- b. Adoption of the following Appropriation Ordinance amendments in the Subdivision Park Trust Fund (Fund 375):
  1. Establish an appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$1,355,000 for the Roosevelt Community Center – Multi-Service Project;
  2. Reduce the Roosevelt Center Gymnasium Design appropriation by \$757,000; and
  3. Reduce the Reserve: Future PDO/PIFO Projects by \$598,000.

## OUTCOME

Award of a construction contract to West Coast Contractors, Inc. will allow the construction of the new Roosevelt Community Center to proceed with scheduled completion in the fall of 2008. Approval of a five percent contingency will provide funding for any unanticipated work necessary for the completion of the project. Approval of the Appropriation Ordinance amendments in the Subdivision Park Trust Fund will provide sufficient funding to award the project.

## **EXECUTIVE SUMMARY**

The purpose of this memorandum is to report on bids received for the Roosevelt Community Center project, a 30,000 square foot two-story building located in Roosevelt Park. This community center will serve as the main recreational and educational facility for Council District 3.

## **BACKGROUND**

The existing Roosevelt Community Center is located in Roosevelt Park, within a residential and commercial business area. The existing community center and park site is bordered by the San José Academy to the north, 20<sup>th</sup> and 21<sup>st</sup> Streets to the east, East Santa Clara Street to the south and Coyote Creek to the west (map attached). The City's *Greenprint for Parks and Community Facilities and Programs* calls for the expansion of the existing center to become the multi-service community center for Council District 3, which will serve as the main recreational and educational facility.

In January 2004, the City Council approved an amendment to the Roosevelt Park Master Plan. The amendment builds upon previous planning efforts, including the 1994 Roosevelt Park master plan and the 2002 Five Wounds/Brookwood Terrace Neighborhood Improvement Plan, developed as part of the Strong Neighborhoods Initiative. The 2004 master plan includes provisions for an expanded multi-service community center to replace the existing center. The proposed project will construct the new multi-service community center.

The project was split into two separate bid packages: Package I and Package II. Package I, which was completed in September 2006, included the demolition of all existing buildings, excavation and re-compaction of the soil, and underground utility work.

This bid involves Package II, which will construct a 30,000 square foot two-story building, containing a community room, various classrooms, administrative offices, fitness, dance, art and computer rooms, a teen lounge, and restrooms with lockers and showers. It also will include the construction of 111 new parking spaces, which will complement the 73 existing parking spaces, for a total of 184 spaces. This project will be LEED certified with the United States Green Building Council, the design goal is to obtain a Silver rating.

In July 2006, staff conducted the pre-qualification process for general contractors as required by City policy. Thirteen general contractors responded to the Request for Qualifications (RFQ) and all were pre-qualified to provide bids for this project. Public Works bid Package II for the first time in September 21, 2006. Arntz Builders, Inc. was the low bidder. In December 2006, staff recommended to award Arntz's base bid in the amount of \$13,989,000 plus add alts 2 and 3, for a total amount of \$14,046,490. The City Council rejected all bids stating they were too high and directed staff to re-bid Package II.

In addition to the base bid scope of work there are three Add Alternate bid items for Package II:

<u>Add Alternates Description</u>	<u>Engineer's Estimate</u>
1. Low voltage telecom and data cabling	\$171,200
2. Sprung wood floor in multi-purpose room	\$30,300
3. Stone veneer at exterior walls	\$74,100

Construction is scheduled to begin in May 2007 with completion in fall 2008.

### ANALYSIS

Bids were opened on February 22, 2007 with the following results.

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alts 2 and 3</u>	<u>Total</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
John Plane Construction (Brisbane)	\$14,919,000	\$181,000	\$15,100,000	\$391,100	3
<b>Engineer's Estimate</b>	<b>14,393,500</b>	<b>104,400</b>	<b>14,497,900</b>	-	-
BRCO Constructors (Loomis)	14,300,000	192,000	14,492,000	(216,900)	(2)
ARNTZ Builders Inc. (Novato)	14,202,920	144,303	14,347,223	(361,677)	(3)
Ralph Larsen & Sons (San Mateo)	14,040,000	154,000	14,194,000	(514,900)	(4)
Bogard Construction (Santa Cruz)	13,915,625	89,002	14,004,627	(704,273)	(5)
West Coast Contractors (Fairfield)	13,728,000	81,000	13,809,000	(899,900)	(6)

<u>Contractor</u>	<u>Add Alt. No.1</u>	<u>Add Alt. No.2</u>	<u>Add Alt. No.3</u>
John Plane Construction	\$85,000	\$98,000	\$83,000
BRCO Construction	100,000	100,000	92,000
ARNTZ Builders	137,000	91,106	53,197
Ralph Larsen & Sons	80,000	64,000	90,000
Bogard Construction, Inc.	197,031	9,658	79,344
West Coast Contractors, Inc.	168,000	13,000	68,000
<b>Engineer's Estimate</b>	<b>171,200</b>	<b>30,300</b>	<b>74,100</b>

The low base bid submitted by West Coast Contractors, Inc., is 6 percent under the Engineer's Estimate and is considered a reasonable bid. In addition to the base bid, staff is also recommending that add alternates 2 and 3 be awarded as part of the contract due to the favorable price for each submitted by the low bidder.

Council Policy provides for a standard contingency of ten percent on public works projects involving the construction of a building. However, staff recommends that the project contingency be reduced to five percent, in the amount of \$690,450. The standard contingency of ten percent is normally used for a project in which one contract is awarded for all phases of construction. In this case, however, a significant portion of the construction work, including site clearing, soil excavation and re-compaction, and underground utility work were already completed as part of Package I. Accordingly, staff believes a five percent contingency would be sufficient for the work involved in Package II. If this contingency proves insufficient, staff would request an additional five percent at that time.

This memorandum includes a request for appropriation ordinance amendments in the Subdivision Park Trust Fund, which if approved, will provide the additional funds necessary to award and complete Package II of the project. A total of \$1,355,000 is being requested from the Subdivision Park Trust Fund; the sources for which come from a reduction of \$757,000 in the Roosevelt Center Gymnasium Design project which is now not proceeding and several new collections totaling \$598,000 which were obtained during 2005-2006 and have not yet been budgeted (and therefore are currently part of the Reserve: Future PDO/PIFO Projects).

### POLICY ALTERNATIVES

*Alternative 1:* Reject the bids and re-bid the project.

**Pros:** Possibility of lower bid results.

**Cons:** Additional design costs and delaying the construction schedule.

**Reason for Not Recommending:** Current market reports affirm that construction escalation remains high and bids continue to be volatile, therefore staff does not recommend a re-bid for this project.

### PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- 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.
- 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.

This item meets Criteria 1. Per Council policy, due to the size of this project, general contractors were required to submit a prequalification package for approval prior to being eligible to submit bids for construction. In June 2006, submittals were received, evaluated and determination notices were sent out to 13 qualified general contractors. To comply with City policy and to generate interest among subcontractors, 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.

In January 2004, Council approved an amendment to the Roosevelt Park Master Plan. The amendment builds upon previous planning efforts, notably the 1994 Roosevelt Park master plan and the 2002 Five Wounds/Brookwood Terrace Neighborhood Improvement Plan, developed as part of the Strong Neighborhoods Initiative. Staff worked and consulted with various community-based groups and neighborhood associations to develop the master plan, identify multiple capital projects at Roosevelt Park and establish project priorities.

In addition, staff held numerous community meetings to solicit community input regarding the design of the new community center. Meeting notices and flyers were posted at nearby public facilities and mailed to residents, NAC groups, and neighborhood associations within 2,000 foot distance of the community center site. Furthermore, staff formed a Community Project Advisory Committee (CPAC), composed of about 10 community members. The CPAC helped facilitate effective communication and coordination between staff and the entire community. This memorandum will be posted on the City's Internet website for the April 10, 2007 Council agenda.

### COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Environmental Services and General Services, the City Attorney's Office and Council District 3 Office.

### FISCAL/POLICY ALIGNMENT

This project is consistent with the Council approved Budget Strategy to continue with capital investments that spur construction spending in our local economy and with the Greenprint for Parks and Community Facilities and Programs.

### COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Project Delivery – Package I & II	\$5,228,446
Land Acquisition	3,775,388
Construction – Package I + contingency	1,674,466
Construction – Package II	13,809,000
Contingency – Package II	690,450
<b>TOTAL PROJECT COSTS</b>	<b>\$25,177,750</b>
Prior Year Expenditures*	(\$7,184,957)
<b>REMAINING PROJECT COSTS</b>	<b>\$17,992,793</b>

\* This includes land acquisition expenditure in the amount of \$3,775,388.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:  
This is a Lump Sum Contract.
3. SOURCE OF FUNDING: 471 - Parks and Recreation Bond Projects Fund  
380 – Construction Tax and Property Conveyance Tax Fund:  
Parks Purposes Council District 3  
375 – Subdivision Park Trust Fund  
446 – Storm Sewer Operating Fund
4. OPERATING COSTS: The increased operating and maintenance costs associated with this project are estimated to be \$489,000 annually, starting in the fall of 2008. This additional cost will be addressed during the 2007-2008 Operating Budget process.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2006-2007 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs:</b>			\$17,992,793	\$14,499,450		
<b>Current Funding Available</b>						
471	4789	Roosevelt Community Center – Multi-Service	\$15,136,000	\$13,560,000	Adopted Capital Budget, Page V - 787	10/17/06, Ord. No. 27888
380	4789	Roosevelt Community Center – Multi-Service	\$967,000	\$878,450	Adopted Capital Budget, Page V - 368	10/17/06, Ord. No. 27888
446	0762	Environmental Services Department: Non-Personal/Equipment	\$65,000*	\$61,000	Adopted Operating Budget, Page XI - 76	
<b>Total Current Funding Available</b>			<b>\$16,168,000</b>	<b>\$14,499,450</b>		

<b>Recommended Additional Funding**</b>						
375	5203	Roosevelt Center Gymnasium Design	\$757,000		Adopted Capital Budget, Page V - 675	
375	7845	Reserve: Future PDO/PIFO Projects	\$598,000		Adopted Capital Budget, Page V - 772	10/17/06, Ord. No. 27888
<b>Total Recommended Additional Funding</b>			<b>\$1,355,000</b>			
<b>Funding in future years of CIP***</b>			<b>\$ 470,000</b>			
<b>Total Funding for Project</b>			<b>\$17,993,000</b>			

\*The Non-Personal/Equipment appropriation in the Storm Sewer Operating Fund totals \$2,245,408. Out of this amount, a total of \$65,000 has been allocated toward the DPW budget for construction of the storm water treatment.

HONORABLE MAYOR AND CITY COUNCIL

03-21-07

Subject: Roosevelt Community Center Package II-Re-Bid Project

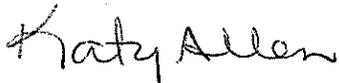
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\*\*This memorandum requests the following appropriation ordinance amendments: reduce the Roosevelt Center Gymnasium Design project by \$757,000 (appropriation totals \$1,200,000); and reduce the Reserve: Future PDO/PIFO Projects by \$598,000 (appropriation totals \$22,343,163).

\*\*\*Additional funding totaling \$470,000 is provided in 2007-2008 in the Parks and Recreation Bond Projects Fund.

**CEQA**

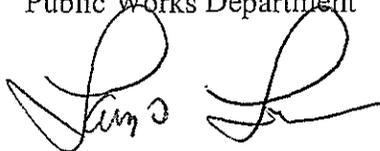
CEQA: Mitigated Negative Declaration PP03-12-397.



KATY ALLEN

Director

Public Works Department



LARRY D. LISENBEE

Budget Director



ALBERT BALAGSO

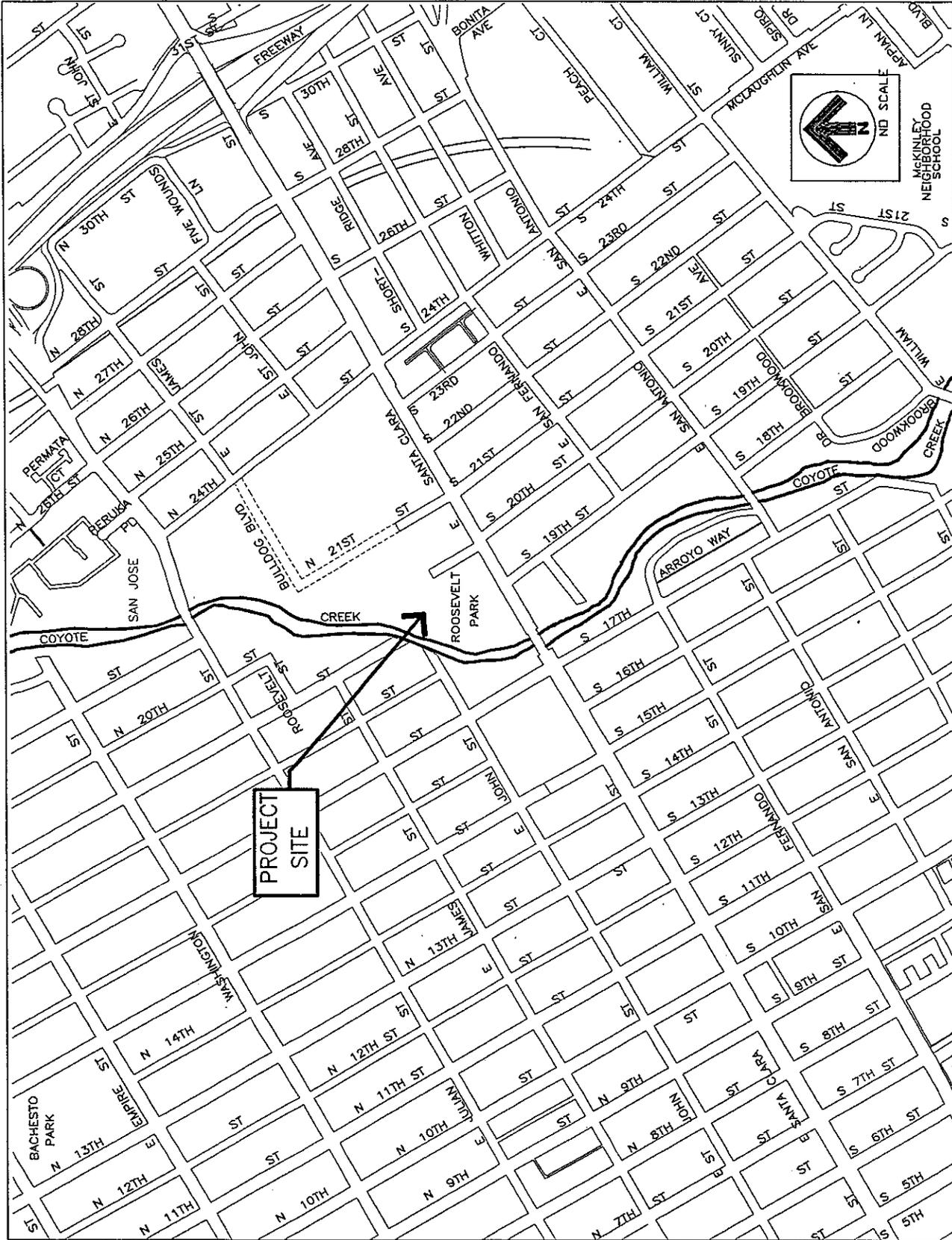
Director

Parks, Recreation and Neighborhood  
Services Department

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, DEPARTMENT OF PUBLIC WORKS, at 408-535-8300.

Attachment

KJ:dt:lm



ROOSEVELT PARK  
LOCATION MAP  
NO SCALE