



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

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

**SUBJECT:** SEE BELOW

**DATE:** 03-22-04

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Approved

Date

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Council District: 3  
SNI: Thirteenth Street

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE  
PARK TRUST FUND FOR THE WATSON PARK SKATE FACILITY PROJECT**

**RECOMMENDATION**

- a) Report on bids and award of contract for the Watson Park Skate Facility Project to the sole bidder, A.J. Vasconi General Engineering to include the base bid and Add Alternate Nos. 1 and 2 in the amount of \$352,800, and approval of a contingency in the amount of \$35,000.
  - b) Adoption of the following Appropriation Ordinance amendments in the Park Trust Fund:
    - 1. Establish the Watson Park Skate Facility Project to the Department of Parks, Recreation and Neighborhood Services in the amount of \$70,000;
    - 2. Decrease the Reserve for Future PDO/PIO Projects by \$70,000
- CEQA: Exempt, H03-042

**BACKGROUND**

Watson Park is an existing 37.5-acre neighborhood park located on Jackson Street in downtown San José. The park is bordered on the north by State Route 101, on the east by Coyote Creek, on the south by Empire Gardens Elementary School and on the west by residential housing (map attached). The existing park amenities include: youth lot play areas, picnic areas, turf soccer fields, two community centers, and community gardens.

Beginning February 22, 2003, a series of three community meetings were held to solicit input on the proposed improvements and define the project scope. In conjunction with the community meetings, two skate park design workshops were conducted to gain consensus on the size and elements to be included in the skate park design. This inclusive coordination greatly facilitated development of a project uniquely responsive to the community needs.

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The base bid scope of work for this project includes a 9,000 square-foot concrete skate park facility, pathways, fencing, irrigation and landscape planting.

Construction is scheduled to begin in May with completion in October 2004.

This project is currently funded by Council District 3 Construction and Conveyance Tax (C&C) funds. The appropriation action being requested will advance the portion of the Park Trust Funds that are intended to be dedicated to another project at the same site in 2004-05 into the current fiscal year. The additional funds are intended for the difference between the low bidder and the Engineer's Estimate, additional contingency and Add Alternate Nos. 1 & 2.

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

<u>Description</u>	<u>Engineer's Estimate</u>
Add Alternate No. 1: (4) Park Benches and (2) Trash Receptacles	\$6,500
Add Alternate No. 2: (1) Drinking Fountain and (1) Bike Rack	3,500
Add Alternate No. 3: Tubular Steel Fence in lieu of Chain Link Fence	1,000

**ANALYSIS**

Bids were opened on February 12, 2004 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt. 1 &amp; 2 Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
A.J. Vasconi General Engineering (Concord)	\$342,000	\$10,800	\$352,800	\$54,800	18
<b>Engineer's Estimate</b>	<b>288,000</b>	<b>10,000</b>	<b>298,000</b>	---	---

<u>Contractor</u>	<u>Add Alt No. 1</u>	<u>Add Alt No. 2</u>	<u>Add Alt No. 3</u>
A.J. Vasconi General Engineering	\$4,800	\$6,000	2,500
<b>Engineer's Estimate</b>	<b>6,500</b>	<b>3,500</b>	<b>1,000</b>

The sole bid received for the project was submitted by A.J. Vasconi General Engineering, in the amount of \$342,000 for the base bid, which is approximately 18 percent above the Engineer's Estimate.

Following the bid opening, staff contacted plan-holders to inquire why they did not submit a bid. The contractors stated an interest in submitting bids as a sub-contractor for portions of the

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project but were not interested in bidding as a general contractor. The contractors were unable to find a general contractor willing to bid the project. A.J. Vasconi General Engineering performs most of the construction work required for this project and listed only the electrical and steel coping for the skate facility as being supplied by sub-contractors. A.J. Vasconi has constructed several other skate facilities in the Bay Area as a general contractor, has bid on two previous City skate facilities and is familiar with this type of construction.

An evaluation of the bid submitted by A. J. Vasconi General Engineering indicates that the Engineer's Estimate for the project anticipated lower costs for the site preparation, earthwork, electrical, irrigation and planting. Although the bid is higher than the cost estimated 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.

After consultation with the office of Council District 3, staff is recommending that the base bid and Add Alternate Nos. 1 and 2 be awarded. Although the cumulative bid amount for Add Alternates 1 and 2 is \$800 (approximately eight percent) over the Engineer's Estimate, the value of the additional improvements to the facility is deemed sufficient to recommend inclusion. Additional funds have been identified to provide for the costs of the two Add Alternates. It was determined that Add Alternate No. 3 was not essential for the completion of the project and therefore it is not recommended for award.

Council policy provides for a standard contingency of five percent on public works park projects. However, on this project, a contingency of ten percent is recommended due to the complexity of the construction necessary for such a facility.

With the requested appropriation adjustment, funds budgeted for this project are sufficient to provide for the recommended difference between the Engineer's Estimate and the increase in the construction contract including Add Alternates 1 and 2 (\$64,000) and the increase in contingency (\$6,000). The recommended \$70,000 appropriation for the Skate Park was originally intended for the Watson Park Master Plan, Acquisition and Development project in FY 2004-2005. It is recommended that the \$70,000 be used for the Skate Park due to the timing of the project schedule and the funding needed.

### **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 were provided to various contractor organizations and builder's exchanges.

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**COORDINATION**

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

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$352,800

2. COST OF PROJECT:

Project Delivery	187,200 *
Construction	\$352,800
Contingency	<u>35,000</u>
TOTAL	\$575,000

\* A total of \$126,000 was expended/encumbered in FY 2002-2003 for Project Delivery costs.

3. SOURCE OF FUNDING: 380 – Construction and Conveyance Fund, Council District 3

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 \$26,000 annually, beginning in November 2004. If the maintenance resources required for this facility are not forthcoming, the maintenance of this facility will be absorbed by the Department of General Services.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.*	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
380	4468	Watson Skate Park	125465	\$379,000	\$352,800	Page 465	10/14/03, Ord. No. 26997
		<b>Total</b>		<b>\$379,000</b>	<b>\$352,800</b>		

\*An appropriation action for \$70,000 is recommended as part of this memorandum to provide additional funding necessary for the award of this contract.

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**CEQA**

Exempt, H03-042

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GR:wt:lr  
Watson Park Skate Facility\_award AA1&2  
Attachment