



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Sara L. Hensley

SUBJECT: ALUM ROCK PARK
MAINTENANCE YARD
PROJECT

DATE: 04-06-05

Approved

Katy Allen

Date

4/12/05

Council District: 4, Citywide

RECOMMENDATION

Report on bids and award of contract for the Alum Rock Park Maintenance Yard Project to the lowest responsive bidder, Page Construction Co., in the amount of \$715,000, and approval of a contingency in the amount of \$107,000.

CEQA: Exempt, PP05-026.

BACKGROUND

Alum Rock Park is a 720 acre park located at the intersection of Penitencia Creek Road and Alum Rock Avenue east of Highway 680 (map attached). The existing 1,900 square foot maintenance trailer and metal storage shed in the service yard are aged and no longer adequate to provide services for its intended use.

The proposed project includes demolition of existing improvements and construction of a 2,400 square-foot metal building to house a large storage and equipment area, restrooms, a shower room, an office, a conference/break room, and an emergency chemical shower and eye-wash station. The project also will construct a covered vehicle and equipment wash area, a covered materials storage structure, and new paved parking lot.

Construction is scheduled to begin in May 2005 with estimated completion in March 2006.

ANALYSIS

Bids were opened on March 10, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
G. Swanson Construction Inc. (Milpitas)	\$862,446	\$82,446	11
Eddie Torrez Construction Co. (San José)	833,529	53,529	7
HRB Construction Inc. (Fremont)	789,700	9,700	1
Engineer's Estimate	780,000	---	---
CSB Construction Inc. (Walnut Creek)	778,000	(2,000)	(0)
ESR Construction Inc. (San José)	751,147	(28,853)	(4)
Page Construction Co. (Novato)	715,000	(65,000)	(8)
Joseph J. Albanese, Inc. (Santa Clara)	111,328	(668,672)	(86)

Two addenda were issued during the bid time. Addendum No. 1 was limited to extending the bid time. Addendum No. 2 involved significant changes in the scope of work that impact the cost of performing the project.

The low bid submitted by Joseph J. Albanese, Inc. (Albanese) is 86 percent below the Engineer's Estimate. The bid is non-responsive due to the following reasons:

1. Albanese does not have a 'B' license as required in specifications.
2. Albanese failed to sign and submit Addendum No. 2 with the bid.
3. Albanese submitted a letter stating that its bid was only intended for the concrete work and that it did not intend to bid the project as a general contractor. Albanese's assertion of a "mistake" is supported by the extremely low bid amount.

The second low bid submitted by Page Construction Co. (Page) is eight percent below the Engineer's Estimate. Page signed and submitted Addendum No. 2, but failed to sign and submit Addendum No. 1 with the bid. Section 2-1.06 of the Standard Specifications authorizes the City to waive minor irregularities in the bid. Addendum No. 1 was limited to changing the bid opening date, and Page submitted its bid in a timely manner. Its failure to sign and submit Addendum No. 1 did not give Page a competitive advantage. Thus, staff recommends waiving Page's failure to submit a signed addendum as a minor irregularity.

The third low bidder, ESR Construction Inc., submitted a protest letter on March 16, 2005 objecting to the recommendation of the award of the contract to Page Construction Co. ESR's protest was based on the assertion that Page's bid is nonresponsive because it also failed to sign

and submit Addendum No. 2. However, ESR's protest is based on factually incorrect information given that Page, in fact, signed and submitted Addendum No. 2.

Based upon the above findings, staff recommends rejecting as nonresponsive the bid submitted by Joseph J. Albanese, Inc., waiving the minor irregularity of the second low bid and awarding this contract to the second low bidder, Page Construction Co. The bid is considered to be acceptable for the work involved in the project.

Council policy provides for a standard contingency of ten percent on public works building construction projects. Given the site used to be an indoor swimming pool that was later in-filled with rubble, staff recommends a 15 percent contingency for any unforeseen underground conditions. The funds budgeted for this project are sufficient to provide for the recommended contingency.

OUTCOME

Approval of this construction contract to Page Construction Co. will enhance the resources required for providing better maintenance services at Alum Rock Park. Approval of the 15 percent contingency will provide funding for unforeseen conditions during construction of this 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 memorandum have been coordinated with the City Attorney's Office, City Manager's Budget Office, and the Departments of Fire, Planning, Building and Code Enforcement, General Services and Information Technology.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$ 715,000
2. COST OF PROJECT:

Project Delivery	\$453,000		*
Construction	715,000		
Contingency	107,000		
TOTAL CONSTRUCTION PROJECT COSTS	\$ 1,275,000		
Non-Construction Costs	5,000		**
Prior Year Expenditures	(14,880)		***
REMAINING PROJECT COSTS	\$ 1,265,120		

*Project delivery costs include funding for utility services agreements not included in the construction cost.

**Non-Construction Costs include rental of 2 cargo containers and security fence to be used as temporary park maintenance yard during construction.

***Prior year expenditures include \$14,880 for project delivery.

3. SOURCE OF FUNDING: 391 – C&C Tax Fund, Citywide
 398 – C&C Tax Fund, Parks Maintenance Yards
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.

BUDGET REFERENCE

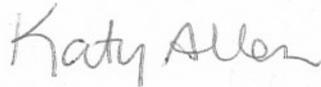
Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2004-2005 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs:				\$ 1,265,120			
Current Funding Available:							
391	4745	Alum Rock Park Maintenance Service Yard	130385	\$810,000	\$287,000	Page V-740	
398	4745	Alum Rock Park Maintenance Service Yard	130385	\$668,000	\$428,000	Page V-793	2/8/2005, Ord. No.27350

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		TOTAL		\$1,478,000	\$715,000		
Total Funding for Remaining Project Costs				\$1,478,000			

CEQA

Exempt, PP05-026.



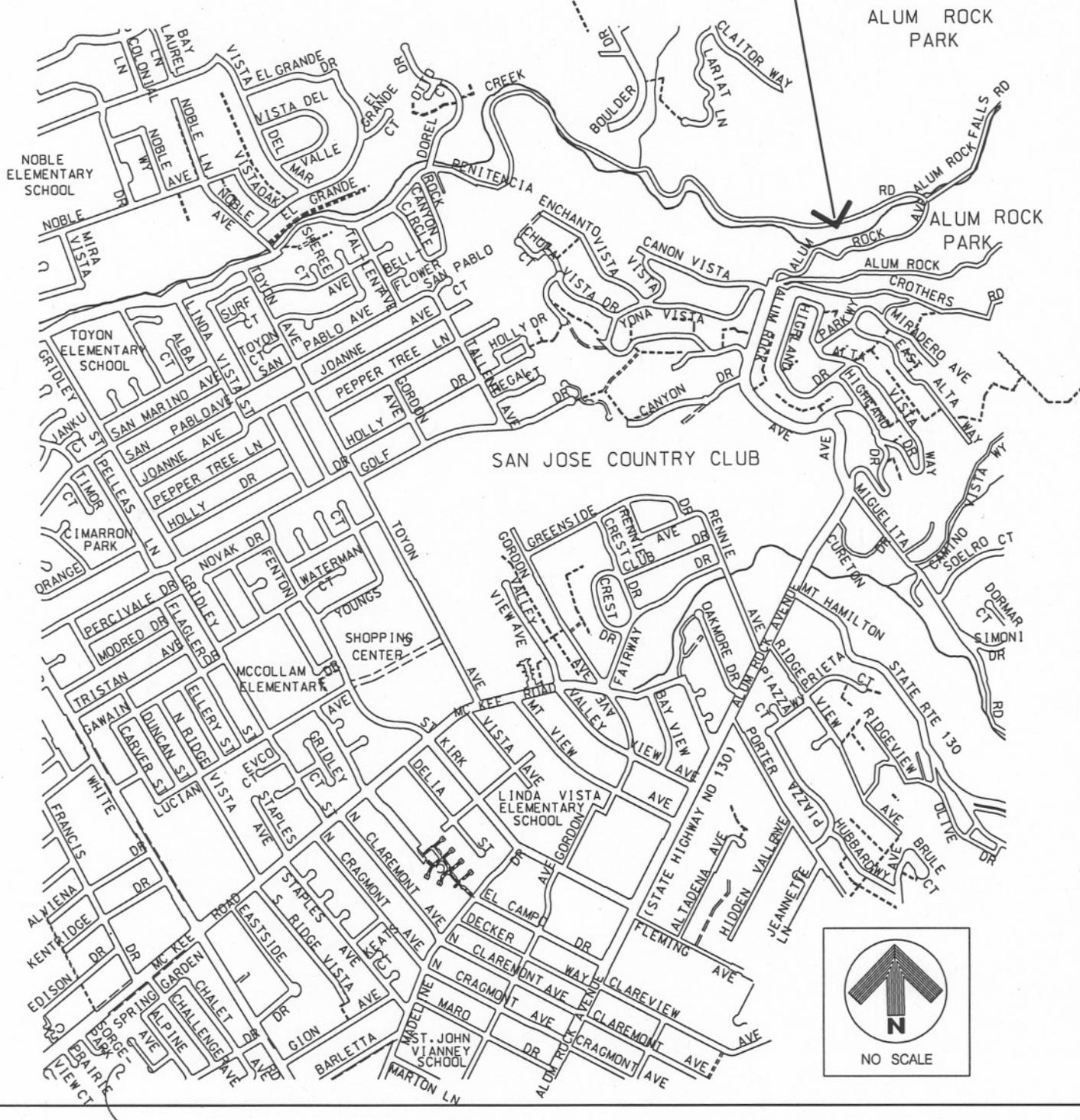
KATY ALLEN
Director, Public Works Department



SARA L. HENSLEY
Director, Parks Recreation and
Neighborhood Services Department

KT:DT:aw
ARP_CC award memo_r2 kj edits
Attachment

PROJECT SITE



ALUM ROCK PARK MAINTENANCE YARD

16240 Alum Rock Avenue

NO SCALE

**Jos. J. Albanese, Inc.**

Concrete Construction CONTRACTORS LICENSE NO. 299880

www.jjalbanese.com

840-70 Parker Street Santa Clara, CA 95050-2906 or
P.O. Box 667 Santa Clara, CA 95052-0667408-727-5700
Fax 408-727-0366

Date: 3-18-05

City of San Jose, Department of Public Works
170 W. San Carlos Street.
San Jose, Ca. 95113
408-297-2824

Attn: Agnes Wan

Re: Alum Rock Park Maintenance Yard
16240 Alum Rock Ave.
San Jose, Ca.

Dear Agnes,

This letter is to inform you that Jos. J. Albanese, Inc. has made a mistake on our bid proposal for the above-mentioned project. The quotation of \$111,328.00 is intended for the concrete work only per our quotation dated March 10, 2005 as a sub-contractor only. We did not bid this project as a General Contractor bidding all phases of the project.

We are sorry for any inconvenience this may have caused but I am sure that you understand what our intent was and therefore we must cancel out our bid.

If you have any questions please feel free to call me at my office.

Joseph J. Albanese, Inc.Gary Hofrichter
Estimator/Project Manager



RECEIVED
MAR 18 2005
Parks & Rec Fac

725 N. 10TH Street, Suite 140
San Jose, CA 95112
Lic # 806964

PH (408) 280-7228
FAX (408) 280-7228
3/16/05
Rev.1

City of San Jose
Department of Public Works
City Facilities Architectural Services Division
170 W. San Carlos Street
San Jose, CA 95113
Attn: Agnes Wan
RE: Alum Rock Park Maintenance Yard

Ms. Wan

We received your voice message today indicating the City's intent to award the Alum Rock Park Maintenance Yard project to Page Construction.

Consider this letter our objection to the City Staff recommendation to award this project to Page Construction (the second place bidder).

The apparent low bidder and second place bidder did not acknowledge the receipt of both addenda. Section 2-1.14 of the standard specifications state "the bidder's failure to sign and submit any or all addenda with the bid shall be a cause for rejection of the bid".

We request that the City of San Jose consider the bids of the low bidder and second place bidder non responsive and that those bids be rejected. The bid submitted by ESR is below the project budget, we request that this project be awarded to ESR Construction.

Thank you, should you have any other questions, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in black ink, appearing to be "Ed Ramans", written over a horizontal line.

Ed Ramans
President

CC: Bill Hurley Miller, Morton, Cailliat and Nevis