



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
Sara L. Hensley

**SUBJECT: O'DONNELL'S GARDENS PARK  
PROJECT**

**DATE:** 04-21-04

---

Approved

Date

---

Council District: 3  
SNI: University

## **RECOMMENDATION**

Report on bids and award of contract for the O'Donnell's Gardens Park Project to the low bidder, Jensen Corporation, in the amount of \$564,888, and approval of a contingency in the amount of \$28,000.

CEQA: Exempt, PP02-04-084.

## **BACKGROUND**

O'Donnell's Gardens Park (previously identified as Sixth and Williams Street Park), located in a residential neighborhood in central San José, is a 0.62 acre neighborhood park. The property, which was purchased for parkland in 2002, is located at the intersection of Sixth and William Streets and is bordered on two sides by single family homes (map attached). As the number one priority for the University Strong Neighborhood, the park design was developed with input from the surrounding community. The project includes open lawn areas, a tot lot, water feature, seating areas, pathways, perimeter fencing, and park lighting.

Construction is scheduled to begin in June with completion in January 2005.

## **ANALYSIS**

Bids were opened on March 11, 2004 with the following results:

| <u>Contractor</u>                    | <u>Bid<br/>Amount</u> | <u>Variance<br/>Amount</u> | <u>Over/(Under)<br/>Percent</u> |
|--------------------------------------|-----------------------|----------------------------|---------------------------------|
| ESR Construction, Inc.<br>(San Jose) | \$744,100             | \$259,550                  | 54                              |

|                                                         |                |            |            |
|---------------------------------------------------------|----------------|------------|------------|
| Prism Engineering, Inc.<br>(Hollister)                  | 685,299        | 200,749    | 41         |
| Scapes, Inc.<br>(Half Moon Bay)                         | 615,854        | 131,304    | 27         |
| Stevens Creek Quarry, Inc.<br>(Cupertino)               | 588,900        | 104,350    | 22         |
| ValleyCrest Landscape Development, Inc.<br>(Pleasanton) | 587,600        | 103,050    | 21         |
| JFC Construction, Inc.<br>(Lafayette)                   | 581,293        | 96,743     | 20         |
| Jensen Corporation<br>(Cupertino)                       | 564,888        | 80,338     | 17         |
| <b>Engineer's Estimate</b>                              | <b>484,550</b> | <b>---</b> | <b>---</b> |

The low bid submitted by Jensen Corporation is 17 percent above the Engineer's Estimate. Potential reasons for the higher bid include the competitive nature within the construction industry, higher material prices or a combination of these issues. Staff will continue to monitor issues affecting construction costs and report back to Council as required. The bid is considered 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.

### **PUBLIC OUTREACH**

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.

### **COORDINATION**

To solicit contractors, this project and memo have been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Departments of Planning, Building and Code Enforcement and General Services.

### **COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$564,888

2. COST OF PROJECT:

|                  |                  |
|------------------|------------------|
| Project Delivery | \$ 95,000        |
| Construction     | 564,888          |
| Contingency      | <u>28,000</u>    |
| <b>TOTAL</b>     | <b>\$687,888</b> |

3. SOURCE OF FUNDING: 450 – Services for Redevelopment Capital Projects 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 operating and maintenance costs for the O'Donnell Gardens Park will be approximately \$12,367 in FY2004-2005 and \$26,000 annually beginning in FY2005-2006.

**BUDGET REFERENCE**

| Fund # | Appn # | Appn. Name               | RC # | Total Appn.      | Amt. for Contract | Adopted Budget Page | Last Budget Action (Date, Ord. No.)       |
|--------|--------|--------------------------|------|------------------|-------------------|---------------------|-------------------------------------------|
| 450    | 4879   | O'Donnell's Gardens Park |      | \$689,000        | \$564,888         |                     | 2003-2004 Appn. Ordinance Section No. 20. |
|        |        | <b>Total</b>             |      | <b>\$689,000</b> | <b>\$564,888</b>  |                     |                                           |

**CEQA**

Exempt, PP02-04-084.

KATY ALLEN  
 Director, Public Works Department

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

GR:wt:jp  
 O'Donnell's award  
 Attachment