



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

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

**SUBJECT: GREATER GARDNER STREET  
RECONSTRUCTION -  
MINOR AVENUE PROJECT**

**DATE:** 05-16-05

Approved

Date

5/26/05

Council District: 3  
SNI: Greater Gardner

## RECOMMENDATION

- a. Report on bids and award of contract for the Greater Gardner Street Reconstruction – Minor Avenue Project from West Virginia Street to Route 280 to the lowest responsive bidder, Wattis Construction Co. Inc., in the amount of \$566,969, and approval of a \$57,000 contingency.
- b. Adoption of the following 2004-2005 Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):
  1. Increase the appropriation to the Department of Public Works for the Greater Gardner Street Improvements Project by \$661,000.
  2. Increase the estimate for Earned Revenue by \$661,000.

CEQA: Exempt, PP 04-03-101.

## BACKGROUND

The Greater Gardner Strong Neighborhoods Initiative (SNI) Area has identified the repair and reconstruction of streets, sidewalks and related systems as its top priority. Poor soil conditions have led to settlement of the majority of streets in the Gardner area. An engineering analysis was performed to determine the cause of the settlement and appropriate methods of mitigation. In addition, analysis was performed to determine which streets had the greatest need for reconstruction. Minor Avenue between West Virginia Street and Route 280 was identified as one of the top priorities in the neighborhood. The San José Redevelopment Agency has provided funding for this second of a series of street reconstruction projects for the neighborhood. Delmas

Street from West Virginia Street to Route 280 was the first to be constructed and is now complete.

The project will completely reconstruct Minor Avenue. Specifically, new paving, curb and gutter, sidewalk, fire hydrants, storm inlets, sanitary sewer laterals and street trees will be installed.

Construction is scheduled to begin in June with completion in December.

**ANALYSIS**

Bids were opened on April 7, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Redgwick Construction Hayward	\$828,450	\$211,680	34
Golden Bay Construction San Carlos	736,788	120,018	19
McGuire & Hester Oakland	704,705	87,935	14
O'Grady Paving, Inc. Mountain View	700,530	83,760	14
C. F. Archibald Paving Redwood City	697,380	80,610	13
<b>Engineer's Estimate</b>	<b>616,770</b>	<b>-----</b>	<b>-----</b>
GradeTech, Inc. San Ramon	578,798	(37,972)	(6)
Wattis Construction San José	566,969	(49,801)	(8)
Jos. J. Albanese, Inc. Santa Clara	488,144	(125,626)	(26)

Staff recommends that the City reject the bid of the apparent low bidder, Joseph J. Albanese, Inc. (Albanese), because it is not responsive. Staff recommends that the construction contract be awarded to the lowest responsive bidder, Wattis Construction Co., Inc. (Wattis)

Section 5-2 of the project specifications sets forth a number of requirements with which the contractor must comply regarding the appearance of the project site during construction. The project specifications state that the minimum bid required for Street Clean-up in the schedule of quantities is \$400 a day. A contractor's bid could be more than \$400 a day, but could not be less

than \$400 a day. Albanese's bid for Street Clean-up was \$250 per day. Wattis has submitted a bid protest asserting that Albanese's bid is not responsive for this reason.

Staff believes that Albanese's failure to bid at least a minimum of \$400.00 a day for Street Clean-up is a material irregularity, because the strategy for requiring the minimum bid amount was to achieve a level of performance regarding the clean-up work. Accordingly, staff recommends that Albanese's bid be rejected and that the construction contract be awarded to Wattis. The bid submitted by Wattis is eight percent below the Engineer's Estimate.

Council policy provides for a standard contingency of five percent on public works street and sidewalk projects; however, on this project, a contingency of ten percent is recommended because of the large amount of private property conform work and soil subsidence repair work. This project will likely be required to reconstruct irrigation systems, landscaping, driveways and fences on private properties. A significant amount of soil subsidence is present in the area that may require over excavation to remove unsuitable materials. Funding for this project is sufficient to provide for the recommended contingency.

### **OUTCOME**

Award of the construction contract to Wattis Construction Co., Inc. will enable the Greater Gardner Street Reconstruction – Minor Avenue Project from West Virginia Street to Route 280 to proceed. Approval of the 10 percent contingency will allow funding for unforeseen conditions encountered during construction of the project.

### **PUBLIC OUTREACH**

On May 24, 2004, staff held a community meeting to present the scope and give the public an opportunity to comment on the proposed project.

Additionally, 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.

### **COORDINATION**

This project and memorandum have been coordinated with the Departments of Transportation, Finance and Planning, Building, and Code Enforcement, San José Redevelopment Agency and the City Attorney's Office.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$566,969

2. COST OF PROJECT:

Project Delivery	\$260,031
Construction	566,969
Contingency	<u>57,000</u>

**TOTAL PROJECT COSTS** **\$884,000**

Prior Year Expenditures 22,500

**REMAINING PROJECT COSTS** **\$861,500**

3. SOURCE OF FUNDING: 450 – Redevelopment Agency Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery sections in that it will spur construction spending in our local economy. Upon completion, this project is expected to have minimal operating and maintenance costs in the General Fund.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$861,500</b>			
<b>Current Funding Available</b>							
450	4881	Greater Gardner Street Reconstruction	132073	<b>200,500</b>		2004-2005 Appn. Ord. Sec. 20.05	3/1/05; Ord. No. 27365
<b>Total Current Funding Available</b>				<b>200,500</b>			
<b>Additional Funding Recommended</b>							
450	4881	Greater Gardner ** Street Reconstruction	132075	<b>661,000</b>	<b>\$566,969</b>		
<b>Total Funding for Remaining Project Costs</b>				<b>\$861,500</b>	<b>\$566,969</b>		

The total appropriation of \$370,872 supports street reconstruction work in the Greater Gardner area. The work includes \$200,500 earmarked for the Minor Avenue project described here, with the balance remaining for other projects.

**CEQA**

Exempt, PP04-03-101



LARRY D. LISENBEE  
Budget Director



KATY ALLEN  
Director, Public Works Department

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2004-2005 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$661,000.



LARRY D. LISENBEE  
Budget Director



MINOR AVENUE  
LOCATION MAP  
NOT TO SCALE