



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

SUBJECT: HILLSTONE PARK PROJECT

DATE: 05-27-04

Approved

Date

Council District: 8

RECOMMENDATION

- a. Report on bids and award of contract for the Hillstone Park Project to the low bidder, Blossom Valley Construction, Inc., for the base bid and Add Alternate Nos. 1 and 2, in the amount of \$620,000, and approval of a contingency in the amount of \$31,000.
- b. Adoption of the following Appropriation Ordinance and Funding Sources Resolution Amendments in the Council District 8 Construction and Conveyance Tax Fund:
 1. Establish an appropriation to the Department of Parks, Recreation and Neighborhood Services for the Hillstone Park Project in the amount of \$105,000; and
 2. Decrease the Ending Fund Balance by \$105,000.

CEQA: Negative Declaration, PP02-10-291.

BACKGROUND

This 1.2 acre neighborhood park site is located within 37 acres of undeveloped hillside in the Evergreen area that was acquired by the City from the developer of the Greenbrier housing tract. The proposed park improvements include a youth play lot, park bench seating, park lighting, a shade structure, decorative granite fountain, fencing, an open turf area, planting, irrigation and miscellaneous site amenities. The remainder of the 37 acre site is designated as open space.

Construction is scheduled to begin in August 2004 with completion in April 2005.

ANALYSIS

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

| Description | Engineer's Estimate |
|--------------------------------------|------------------------|
| Add Alternate No. 1: Shade Structure | \$32,000 |
| Add Alternate No. 2: Fountain | 50,000 |

Bids were opened on May 6, 2004 with the following results:

| <u>Contractor</u> | <u>Base Bid</u> | Add. Alt. <u>Total</u> | <u>Total Bid</u> | Variance <u>Amount</u> | Over/ (Under) <u>Percent</u> |
|--|-----------------|---------------------------|------------------|---------------------------|------------------------------------|
| Jensen Corporation (Cupertino) | \$618,444 | 152,800 | \$771,244 | \$77,844 | 14 |
| J. W. Riley & Son, Inc. (Emeryville) | 553,660 | 136,000 | 689,660 | 13,060 | 2 |
| Stevens Creek Quarry (Cupertino) | 545,900 | 75,000 | 620,900 | 5,300 | 1 |
| Scapes, Inc. (Half Moon Bay) | 545,005 | 117,953 | 662,958 | 4,405 | 1 |
| Engineer's Estimate | 540,600 | 82,000 | 622,600 | --- | --- |
| Blossom Valley Construction, Inc. (San José) | 503,550 | 116,500 | 620,050 | (37,050) | (7) |

| <u>Contractor</u> | Add Alt <u>No. 1</u> | Add Alt <u>No. 2</u> |
|-----------------------------------|-------------------------|-------------------------|
| Jensen Corporation | \$55,800 | \$97,000 |
| J.W.Riley & Son, Inc. | 38,000 | 98,000 |
| Stevens Creek Quarry | 25,000 | 50,000 |
| Scapes, Inc. | 28,975 | 88,978 |
| Engineer's Estimate | 32,000 | 50,000 |
| Blossom Valley Construction, Inc. | 39,500 | 77,000 |

The low bid submitted by Blossom Valley Construction, Inc. is seven percent below the Engineer's Estimate. The bid is considered acceptable for the work involved in the project. The project budget is sufficient to include the cost of the two add alternates. Accordingly, staff is recommending that both of these add alternates be awarded as part of 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.

After consultation with the office of Council District 8, staff is recommending that the Base Bid and Add Alternate Nos. 1 and 2 be awarded to the low bidder to compliment the base bid construction and to further enhance facility usability. 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 (\$116,500) and a standard five percent contingency (\$31,000).

PUBLIC OUTREACH

During preparation of the master plan, three community meetings were held to discuss the proposed design concepts and solicit input on the amenities that should be included in this park site. The master plan was approved by the Parks and Recreation Commission on October 16, 2002 and by Council on December 10, 2002.

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 Public Works Department construction projects were provided to various contractor organizations and builder's exchanges.

COORDINATION

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

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$620,050

2. COST OF PROJECT:

| | |
|------------------|---------------|
| Project Delivery | \$325,555 * |
| Construction | 620,050 |
| Contingency | <u>31,000</u> |
| TOTAL | \$976,605 |

* A total of \$183,605 was expended/encumbered between 1999-2000 and 2002-2003 for project delivery costs.

3. SOURCE OF FUNDING: 375 – Park Trust 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 Hillstone Park is estimated to be \$28,840 annually. Operation and maintenance of the park will commence upon completion of construction in April 2005. The appropriate budget addition request will be submitted through standard City processes.

BUDGET REFERENCE

| Fund # | Appn # | Appn. Name | RC # | Total Appn. | Amt. for Contract | Adopted Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|--------|----------------------------|--------|------------------|-------------------|---------------------|-------------------------------------|
| 375 | 6578 | Hillstone Park Site MP | 100193 | \$0 | | N/A | N/A |
| 375 | 4098 | Hillstone Park Development | 117443 | \$689,000 | \$515,050 | 694 | 10-14-03 Ord. No. 26997 |
| | | <u>Total</u> | | \$689,000 | \$515,050 | | |

*An appropriation action for \$105,000 is recommended as part of this memorandum to provide additional funding necessary for the award of this contract.

CEQA

Negative Declaration, PP02-10-291.

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Neighborhood Services Department

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