

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Albert Balagso

SUBJECT: HAPPY HOLLOW PARK & ZOO
PEDESTRIAN BRIDGE PROJECT

DATE: 08-06-07

Approved

Date

8/14/07

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Report on bids and take appropriate action based on the evaluation of bids for the Happy Hollow Park & Zoo - Pedestrian Bridge Project.

OUTCOME

Approval of this construction contract allows the Happy Hollow Park & Zoo Project to be built and used by the community. Approval of a seven percent contingency provides funding for any unanticipated work necessary for the proper completion or construction of the project.

EXECUTIVE SUMMARY

The \$52.3 million Happy Hollow Park & Zoo project is the largest project in the November 2000, voter approved, Measure P, Parks Bond program. It represents implementation of the 1991 Kelley Park and 1996 Happy Hollow Park & Zoo master plans made possible by Measure P.

Staff utilized the City qualifications-based consultant selection process to select Portico, Inc. from Seattle, Washington for the \$7.5 million phase strategy, program refinement, design and construction document contract. The consultant recommended a two-phase approach to the originally planned six phase project. Phase 1 consists of the new entrance and parking lot off of Story Road on the Robert landfill east of Coyote Creek. Phase 2 encompasses the new Zoo and Attractions facility and the 700 foot long cable stayed, suspension pedestrian bridge that connects the new facility and parking lot.

The consultant identified cost impacts to the project due to abnormal construction cost escalation which led Council to approve a revised funding plan in May 2006. On June 27, 2006, Council authorized \$7,513,770 for the project as a part of the 2006/2007 Capital Budget. The City subsequently secured a \$248,000 Chaffee Grant for zoo improvements and \$600,000 First 5 Santa Clara County Grant for child education to supplement additional City funding. Council

also authorized \$2 million in Citywide C&C and the \$600,000 First 5 Funds for the project in the 2007/2008 capital budget approved on June 19, 2007. The combined additional funding maintained the minimum Happy Hollow Park & Zoo program integrity in the face of rising project cost estimates due to unprecedented construction escalation over the period.

Phase 2 of the Happy Hollow Park & Zoo project is divided into two distinct construction packages--(1) Zoo and Attractions and (2) Pedestrian Bridge--due to specialty work and differing construction schedules for each.

Staff pre-qualified eight contractors based on City policy due to unique construction means and methods required for the bridge. The Pedestrian Bridge package advertised on June 13, 2007 with a bid opening scheduled for August 16, 2007. The Zoo and Attractions package advertised on June 6 with the bid opening scheduled for August 9, 2007.

BACKGROUND

In November 2000, San José voters approved a \$228 million Parks Bond Measure for improvements of the City's parks with \$52.3 million allocated for design and construction necessary to implement the approved 1996 Happy Hollow Park & Zoo and 1991 Kelley Park master plans.

Consultant Selection and Phasing

In January 22, 2002, after a formal consultant selection process, Council approved a \$1,500,000 master agreement with Portico, Inc. of Seattle, Washington, for initial consultant design services. Of the authorized amount, \$949,000 in service orders was issued to complete the Happy Hollow Park & Zoo Program Refinement and Phase Strategy Plan. This document evaluated the City-proposed six-phase development project extracted from the approved master plans, created a project conceptual plan, and recommended reducing the original six-phase construction sequence with a two-phase project that provided the most efficient and effective project delivery model and supported future City operations and maintenance budgets.

Phase 1 represents construction of a new 550-space parking lot on the Roberts landfill east of Coyote Creek. Phase 2 consists of improvements west of Coyote Creek including a new entry plaza, zoo exhibits, retail space, administration, concessions, an education building and new attractions. Additionally, there are improvements in the existing lower zoo for compliance with current park accessibility, LEED certification, and a new, 700-foot cable stayed pedestrian bridge across Coyote Creek connecting the parking lot with the new facility.

Design and Funding

On August 24, 2004, Council approved an additional \$6,000,000 in the existing Portico, Inc. master agreement funding for design development, construction documents, and construction

support services for the Happy Hollow Park & Zoo Project. Project design development continued through December 2005 and construction documents through May 2007.

Consultant cost estimates at the 65% design development stage indicated significant spikes in construction material and labor costs that exceeded the project escalation built into the 2000 bond project budget. Project workshops in late 2005 attempted to align the project scope with the budget but staff from the Parks, Recreation and Neighborhood Services Department (PRNS) concluded that the revised project scope would jeopardize the park's revenue generation capability and mission statement.

From November 2005 to February 2006, City staff analyzed these shortfalls, developed a plan to recover the lost project scope on which continued Happy Hollow Park & Zoo viability depended, and proposed a financing plan using City-wide Construction and Conveyance (C&C) Tax and Park Trust funds. Council approved the plan in May 2006 and on June 27, 2006, authorized it with final budget approval in the amount of \$1,435,770 for Phase 1 and \$6,078,000 for Phase 2. In August 2006, Council approved funding in the amount of \$250,000 for a supplemental master agreement for consultant design services for the recovered project program elements. In addition, PRNS secured a \$248,000 Chaffee Grant for zoo improvements and \$600,000 First 5 Santa Clara County Grant for child education to supplement additional City funding. Council authorized \$2 million in Citywide C&C and the \$600,000 First 5 Funds for the project as part of the 2007-2008 Capital Budget approved on June 19, 2007.

Construction Packages and Bidding

Based on the consultant's recommendation, staff separated Phase 2 of the Happy Hollow Park & Zoo project into two distinct construction packages--(1) Zoo and Attractions and (2) Pedestrian Bridge--due to the specialty work and differing construction schedules. The Zoo and Attractions package advertised on June 6, 2007, with a bid opening scheduled for August 9, 2007, while the Pedestrian Bridge package advertised on June 13, 2007, with a bid opening scheduled for August 16, 2007.

The Pedestrian Bridge construction package consists of a new 700-foot cable stayed pedestrian bridge across Coyote Creek connecting the parking lot on the Roberts landfill east of Coyote Creek with the new Zoo and Attractions facility on the west side of the creek.

Contractor Pre-qualification

City policy requires contractor pre-qualification for construction projects estimated at greater than \$10 million. However, the Director of Public works can require pre-qualification for construction projects estimated at a lesser amount if it is deemed valuable to the City. This determination is made based on factors other than estimated project cost. These factors may include project complexity, the number and quality of the pool of potential contractors bidding on the project, time constraints on construction, and economic conditions. Conversely, a determination can be made that pre-qualification would not be beneficial in a particular case. In

this case, the project team believed that contractor pre-qualification was valuable because bridge construction is a specialty, and experienced contractors are required to successfully complete the project.

Department of Public Works (DPW) project staff conducted a contractor sourcing exercise that identified eight potential A-class contractors who were directly contacted. Additionally, staff advertised the pre-qualification invitation on the City's Internet Bid Line and the *Post Record* beginning March 29, 2007. The project team held a pre-qualification meeting for contractors on April 11, 2007, which was poorly attended. As a result, the City extended the submission deadline to April 27, 2007 to take advantage of an American General Contractors meeting in San José. DPW staff mentioned the project as one of many bidding in the near future.

Eight contractors submitted pre-qualification statements by the revised April 27, 2007 date. All were judged qualified to bid the project according to the pre-qualification criteria and were notified.

Project Permits

On April 24, 2007, California Department of Fish and Game (CDFG) received the project application for Notification of Lake or Streambed Alteration. Prior City projects requiring such CDFG permits often include restrictions prohibiting site work from October 15 to June 1 in any year. State law requires a response in the form of a Draft Lake or Streambed Alteration Agreement within 60 days or the permit requirements default to the application restrictions, which allow construction throughout the year. On May 30, CDFG notified the City that the deadline for agreement passed and the City may complete the project according to the requirements identified in the application.

In May 2007, the City installed a turtle protection fence, required by August 1, 2007 in anticipation of construction in September 2007. Other required wildlife surveys are in process to support the planned construction start.

Staff received project approval from the California Regional Water Quality Control Board (RWQCB) and the Local Enforcement Agency (LEA) for penetrating the existing landfill with the bridge pilings on the east side of Coyote Creek.

Construction Schedule

The base bid includes 470-calendar days continuous construction duration beginning September 2007 with completion in December 2008. Continuous construction from Notice to Proceed (NTP) to completion supports the Phase 2, Happy Hollow Park & Zoo - Zoo and Attractions project schedule.

DPW staff formally advertised the project for bid on the City's Internet Bid Line, *Post Record*, and several northern California Builder Exchanges beginning June 13 with bids due on July 26, 2007.

ANALYSIS

A report on bids and accompanying recommendation will be included in a supplemental memo to Council after the bids are opened on August 16, 2007.

Council Policy provides for a standard contingency of 10 percent on building construction and 15 percent on renovation projects. Department staff and the CMO discussed the contingency amount in detail and recommend a 7 percent contingency given the blend of new bridge construction, off-site fabrication, and erection across the Coyote Creek flood plain.

EVALUATION AND FOLLOW UP

Staff will provide a supplemental memo with a bid summary and analysis after bids are opened on August 16, 2007.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Staff publicly advertised a contractor pre-qualification prior to bid. Eight contractors were pre-qualified for this bid and were sent bid packages on June 13, 2007.

This placeholder award memo is also posted on the City's website for the August 28, 2007 Council Agenda, and the supplemental memo will also be posted online during the week of August 20, 2007.

COORDINATION

This project and memorandum were coordinated with the Departments of Planning, Building and Code Enforcement, Finance, the City Attorney’s Office and the City Manager’s Budget Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT.

Project Delivery	\$1,144,257
Construction (Bid Target)	3,000,000
Contingency 5%	<u>150,000</u>
TOTAL PROJECT COSTS	\$4,294,257
Prior Year Expenditures	(\$713,089)
Remaining Project Costs	\$3,581,168

2. COST ELEMENTS OF CONTRACT/AGREEMENT: This information will be provided in the supplemental memo.

3. SOURCE OF FUNDING: 471 – Parks and Recreation Bond Projects Fund

4. OPERATING COSTS: The proposed operating and maintenance costs of this Pedestrian Bridge project have been reviewed and will be approximately \$15,000 annually, beginning in 2007-2008. This funding is included in the 2007-2008 Operating Budget. The proposed operating and maintenance costs of the Zoo and Attractions project have been reviewed and will be approximately \$560,000 annually, beginning in 2008-2009. The appropriate budget addition requests will be submitted through standard City processes.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	Proposed Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$3,581,000			
Current Funding Available						
471	4787	Happy Hollow Park & Zoo Phase II- Pedestrian Bridge	\$3,581,165*		V-791	6/19/2007 Ord No. 28071
TOTAL			\$3,581,165			

HONORABLE MAYOR AND CITY COUNCIL

08-06-07

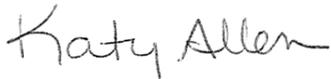
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* Total appropriation is \$41,337,000. Of this total, \$3,581,165 is available for the Happy Hollow Park and Zoo (HHPZ) – Pedestrian Bridge project. The remaining balance is available for the HHPZ - Zoo and Attractions project and the HHPZ - East Side Parking Lot project.

CEQA

CEQA: Mitigated Negative Declaration, File No. PP05-142, dated April 2007.



KATY ALLEN

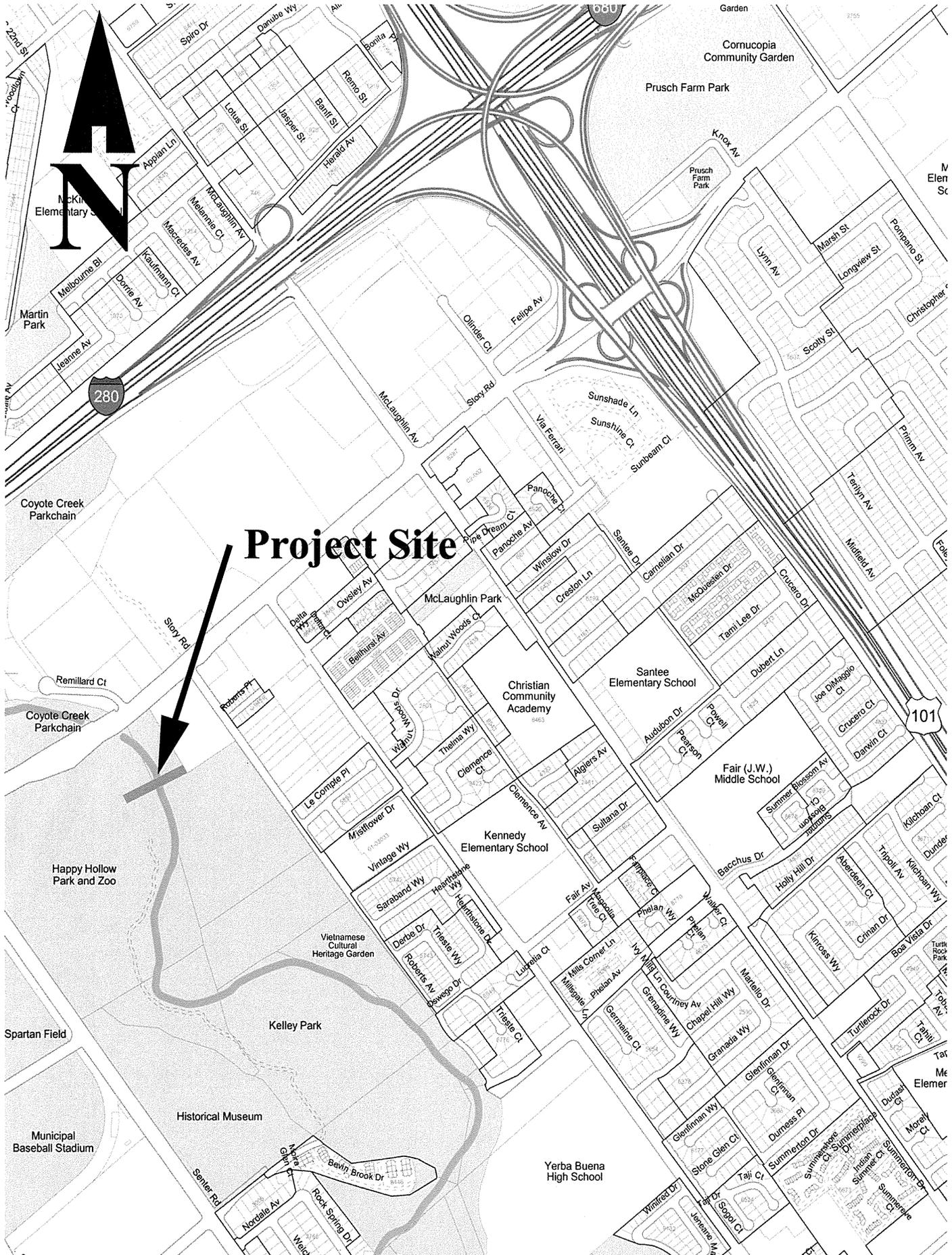
Director, Public Works Department



ALBERT BALAGSO

Director, Parks, Recreation and
Neighborhood Services Department

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, PUBLIC WORKS DEPARTMENT, 408-535-8300.



Project Site

Happy Hollow Park & Zoo Pedestrian Bridge Project

Map Not To Scale