



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Jane Light

**SUBJECT: WILLOW GLEN BRANCH
LIBRARY PROJECT**

DATE: 11-20-06

Approved

Date

11/22/06

COUNCIL DISTRICT: 6

RECOMMENDATION

Report on bids and take appropriate action based on the evaluation of bids for the Willow Glen Branch Library Project.

OUTCOME

Approval of this construction contract will allow the Willow Glen Branch Library Project to be built and occupied for use by the community. Approval of the ten percent contingency will provide funding for any unanticipated work necessary for the completion of the project.

BACKGROUND

The new Willow Glen Branch Library is the 14th library to be built using City Library Bond Funds and is based on the Branch Facility Master Plan approved by Council in September 2000. The site is located at 1157 Minnesota Avenue near Lincoln Avenue. The Library is surrounded by residential properties on all four sides (map attached). The new library will be built on the current Branch Library site, replacing the existing building built in 1949.

The Engineer's Estimate is \$6,996,000 for the base bid. The scope of work includes construction of a 13,380 square foot one-story building, containing various reading areas, a tech center, an Internet Café area, children and adult collection spaces and a community meeting room, and a new parking lot with 52 spaces. Construction is scheduled to begin in January 2007 with completion in June 2008.

In addition to the base bid scope of work there are six Add Alternate bid items:

<u>Add Alternate Description</u>	<u>Engineer's Estimate</u>
1. Flagstone pavers and color concrete at exterior paving areas.	\$25,000
2. Sidewalk replacement.	12,000
3. Movable millwork book shelves (gondolas and CD Browsers).	80,000
4. Interior Signage.	60,000
5. Project submission to USGBC for LEED Certified Award.	70,000
6. Public artist glass window installation.	18,000

ANALYSIS

A supplemental memorandum will be provided after bids are opened on November 30, 2006.

Over the past two months the City has received bids for construction that have shown an actual rate of escalation that is higher than projected. As a result of these impacts the project engineer's current cost estimate of \$6,996,000 is \$596,000 above the \$6,400,000 construction budget. During design, various strategies were pursued to offset these higher costs while having minimum impact on the building program and the services to be provided by the new library.

At time of award, an Appropriation Amendment will be recommended, if necessary, to supplement the current appropriation. This additional funding would come from the Library Bond Fund's Ending Fund Balance. This would not impact the budget available for future projects since additional project savings and interest earnings were added to the fund balance in the Annual Report.

Council Policy provides for a standard contingency of ten percent on public works projects involving the construction of a building. Staff considers the standard contingency appropriate for this project.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criteria 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)**

- Criteria 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)**

This item meets Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. 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.

This placeholder award memo will be posted on the City's website for the December 12, 2006 Council agenda, and the supplemental memo will also be posted online during the week of December 4, 2006.

In addition, community participation in the design effort through various community participation meetings for this branch Library was solicited through flyers at the existing nearby branches and mailers to the nearby residents.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

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 expansion of square footage of this library will also assist in meeting the General Plan goal of providing .43 square feet of library space per capita.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:	
Project Delivery	\$1,249,000
Construction (Engineers Estimate)	6,996,000
Contingency	700,000
Public Art	116,000
TOTAL PROJECT COSTS	\$9,061,000
Prior Year Expenditures	886,335 *
REMAINING PROJECT COSTS	\$8,174,665

*A total of \$886,335 was expended from 2004-2005 thru 2005-2006 for project delivery costs.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:
 This is a Lump Sum Contract.
3. SOURCE OF FUNDING: 472 - Branch Libraries Bond Projects Fund
4. FISCAL IMPACT: The renovated Willow Glen Branch will have an annual operating and maintenance impact of \$130,000 starting in 2008-2009.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2006-2007 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
<u>Remaining Project Costs</u>				\$8,174,665			
<u>Current Funding Available</u>							
472	5736	Willow Glen Branch	Various	\$7,391,000	\$6,996,000	V-266	10/17/06 Ord. No. 27888
Total Current Funding Available				\$7,391,000	\$6,996,000		
Funding in future years of CIP*				160,000			
Total Funding for Project**				\$7,551,000			

* An additional \$160,000 is budgeted in the Library Bond Fund in 2007-2008 for project costs.
 **When the construction contract is awarded for this facility, the memorandum will include an appropriation action request, if necessary, to provide the additional funding necessary to complete the project.

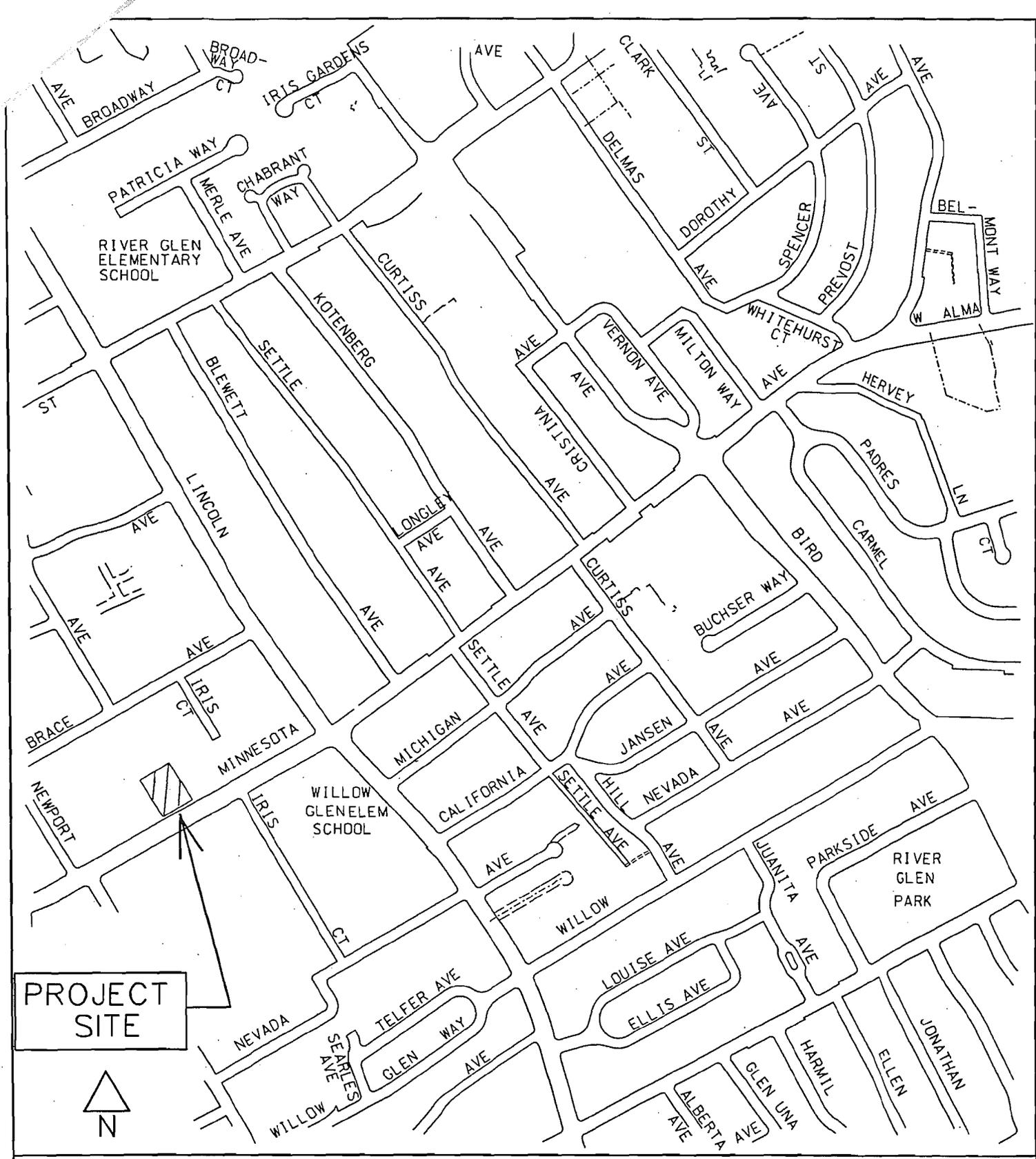
CEQA

CEQA: Exempt, File No. PP06-117.


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



WILLOW GLEN BRANCH LIBRARY LOCATION MAP

Not to Scale