



SUPPLEMENTAL

COUNCIL AGENDA: 12-12-06
ITEM: 5.7

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Jane Light
Larry D. Lisenbee

SUBJECT: WILLOW GLEN BRANCH
LIBRARY PROJECT

DATE: 12-05-06

Approved

Date

12/8/07

COUNCIL DISTRICT: 6

SUBJECT: REPORT ON BIDS AND AWARD THE CONTRACT TO RALPH LARSEN AND SONS, INC. AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE BRANCH LIBRARIES BOND PROJECTS FUND FOR THE WILLOW GLEN BRANCH LIBRARY

REASON FOR SUPPLEMENTAL MEMORANDUM

To provide additional information after bids were opened.

RECOMMENDATION

- a) Report on bids and award of contract for the Willow Glen Branch Library Project to the low bidder Ralph Larsen and Sons, Inc., in the amount of \$6,848,000, and approval of a contingency in the amount of \$685,000.
- b) Adoption of the following Appropriation Ordinance amendments in the Branch Libraries Bond Projects Fund (Fund 472):
 - 1. Increase the Willow Glen Branch Library Project by \$608,000; and
 - 2. Decrease the Ending Fund Balance by \$608,000.

OUTCOME

- a) Approval of this construction contract to Ralph Larsen and Sons, Inc., will allow the Willow Glen Branch Library Project to proceed as scheduled. Approval of the 10 percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.
- b) Approval of the Appropriation Ordinance amendments in the Branch Libraries Bond Projects Fund (Fund 472) will provide sufficient funding to award the project.

EXECUTIVE SUMMARY

The purpose of this memorandum is to (a) report on bids and award a contract to the low bidder, Ralph Larsen and Sons, Inc for the base bid of the project, (b) recommend an increase in the appropriation to the Willow Glen Branch Library Project using funds from the Library Bond Fund's Ending Fund Balance. This would not impact the budgets available for future projects since additional project savings and interest earnings have been realized.

BACKGROUND

A memorandum dated November 20, 2006 was forwarded to Council for the December 12, 2006 Council meeting.

ANALYSIS

Bids were opened on November 30, 2006 with the following results:

| <u>Contractor</u> | <u>Base Bid</u> | <u>Variance Amount</u> | <u>Over/(Under) Percent</u> | | | |
|---|------------------|----------------------------|---------------------------------|------------------|------------------|------------------|
| BRCO Constructors (Loomis, CA) | \$7,340,000 | \$344,000 | 5 | | | |
| Engineer's Estimate | 6,996,000 | - | - | | | |
| West Bay Builders, Inc. (Novato, CA) | 6,995,000 | (1,000) | (0) | | | |
| John Plane Construction (Brisbane, CA) | 6,899,000 | (97,000) | (1) | | | |
| Ralph Larsen & Sons (San Mateo, CA) | 6,848,000 | (148,000) | (2) | | | |
| <u>Contractor</u> | <u>Alt. No.1</u> | <u>Alt. No.2</u> | <u>Alt. No.3</u> | <u>Alt. No.4</u> | <u>Alt. No.5</u> | <u>Alt. No.6</u> |
| BRCO Constructors | \$50,000 | \$7,000 | \$100,000 | \$90,000 | \$10,000 | \$15,000 |
| Engineer's Estimate | 25,000 | 12,000 | 80,000 | 60,000 | 70,000 | 18,000 |
| West Bay Builders, Inc. | 70,000 | 15,000 | 90,000 | 90,000 | 15,000 | 20,000 |
| John Plane Construction | 60,000 | 21,000 | 82,000 | 80,000 | 27,000 | 12,000 |
| Ralph Larsen & Sons | 42,000 | 25,000 | 100,000 | 110,000 | 60,000 | 16,000 |

The low bid submitted by Ralph Larsen and Sons, Inc., is two percent below the Engineer's Estimate. The bid is considered acceptable for the work involved in the project and Staff recommends that the construction contract be awarded to Ralph Larsen and Sons, Inc. The Add Alternates are not recommended to be awarded due to budget constraints.

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.

This memorandum includes a recommendation to increase the Willow Glen Branch Library by \$608,000, using funds from the Library Bond Fund's Ending Fund Balance. Even though this project received bids lower than the Engineer's Estimate, due to rising construction costs, the Engineer's Estimate was higher than the project budget. Increasing this project budget will not impact the budgets available for future projects since additional project savings and interest earnings were added to the fund balance in the Annual Report.

COST IMPLICATIONS

| | |
|--------------------------------|--------------------|
| 1. COST OF PROJECT: | |
| Project Delivery | \$1,353,000 |
| Construction | 6,848,000 |
| Contingency | 685,000 |
| Public Art | 116,000 |
| TOTAL PROJECT COSTS | \$9,002,000 |
| Prior Year Expenditures | 886,335 * |
| REMAINING PROJECT COSTS | \$8,115,665 |

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

2. COST ELEMENTS OF CONSTRUCTION CONTRACT: \$6,848,000
 This is a Lump Sum Contract.

3. SOURCE OF FUNDING: 472 - Branch Libraries Bond 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 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> | | | | \$8,115,665 | | | |
| <u>Current Funding Available</u> | | | | | | | |
| 472 | 5736 | Willow Glen Branch | Various | \$7,391,000 | \$6,848,000 | V-269 | 10/17/06 Ord. No. 27888 |
| Total Current Funding Available | | | | \$7,391,000 | \$6,848,000 | | |
| Funding in future years of CIP* | | | | 117,000 | | | |
| <u>Recommended Budget Actions</u> | | | | | | | |
| 472 | 7999 | Ending Fund Balance | | \$608,000 | ** | | |
| Total Funding for Project** | | | | \$8,116,000 | | | |

* An additional \$117,000 is budgeted in the Library Bond Fund in 2007-2008 for project costs.

** \$608,000 of \$51,901,299 in the Ending Fund Balance would be reallocated to the Willow Glen Branch Library project to ensure adequate funding to complete this project.

CEQA

CEQA: Exempt, File No. PP06-117.



KATY ALLEN
 Director, Public Works Department



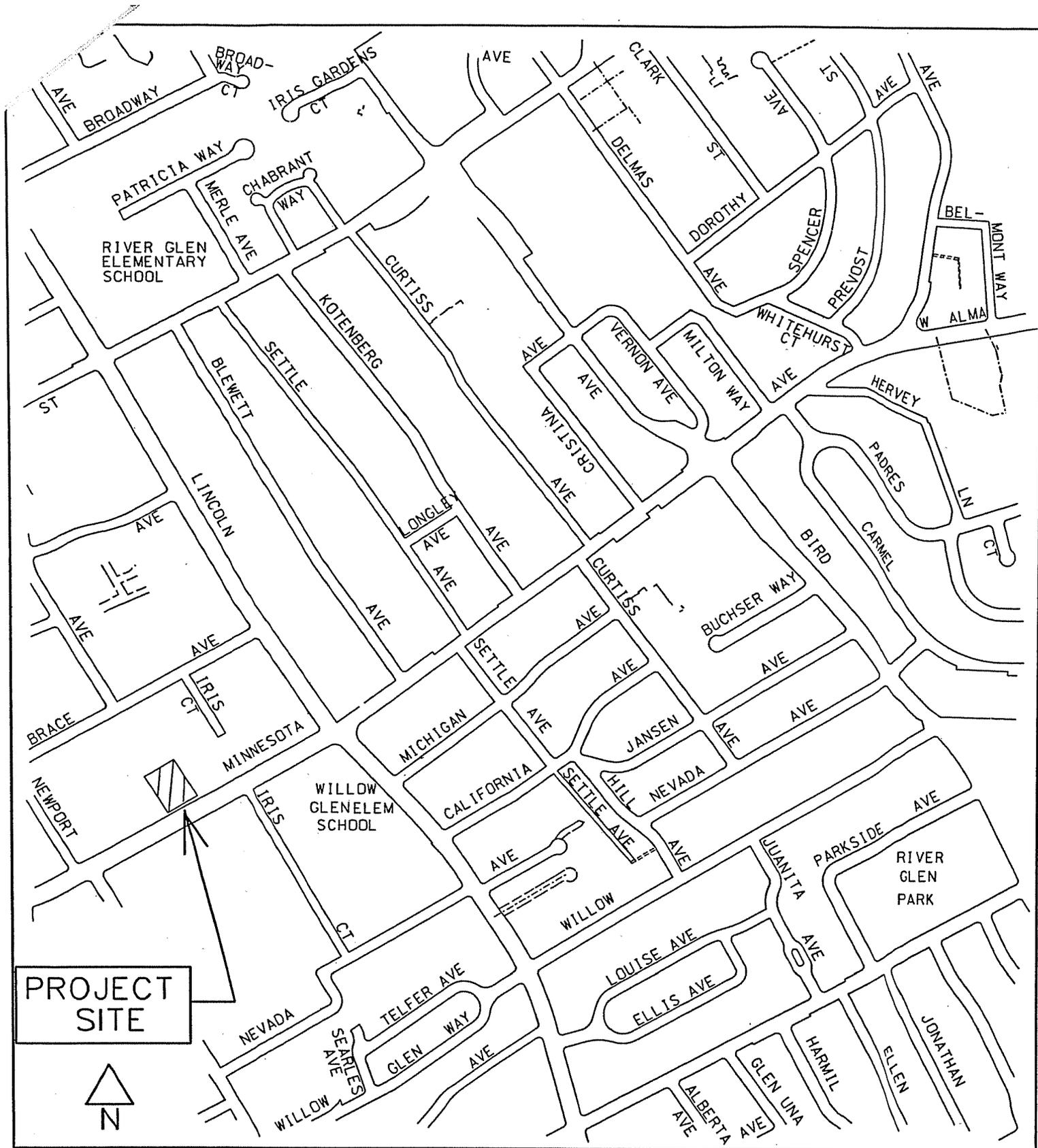
JANE LIGHT
 Director, Library Department



LARRY D. LISENBEE
 Budget Director

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

KJ:RR:do
 WG Br Suppl Award MEMO 12_05_06 rev03



WILLOW GLEN BRANCH LIBRARY LOCATION MAP

Not to Scale