



SUPPLEMENTAL

Memorandum

COUNCIL AGENDA: 12-18-07

ITEM: 5.5

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Albert Balagso
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 12-11-07

Approved

Date

12/13/07

COUNCIL DISTRICT: 3

SUBJECT: REPORT ON BIDS, AWARD THE CONSTRUCTION CONTRACT AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND FOR THE RYLAND POOL REPAIRS PROJECT

REASON FOR SUPPLEMENTAL

To provide additional information obtained after bids were opened.

RECOMMENDATION

- a. Report on bids and award of contract for the Ryland Pool Repairs project to the low bidder, Pool Time USA, in the amount of \$898,108, and approval of a contingency in the amount of \$134,716.
- b. Adoption of the following Appropriation Ordinance amendments in the Subdivision Park Trust Fund (Fund 375):
 - 1) Establish an appropriation to the Parks, Recreation and Neighborhood Services Department in the amount \$1,123,000 for the Ryland Pool Repairs; and
 - 2) Decrease the Reserve: Ryland Pool by \$1,123,000.

BACKGROUND

A memorandum dated November 19, 2007, was forwarded to City Council for the December 18, 2007 Council meeting. The purpose of this supplemental memorandum is to provide additional information obtained after the bid opening.

ANALYSIS

Bids were opened on November 29, 2007 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$1,250,000	--	--
BRCO Constructors Inc. (Loomis)	1,197,000	(\$53,000)	(4)
Tricon Construction Inc. (Rancho Cordova)	1,136,736	(113,264)	(9)
Robert A. Bothman (San José)	1,113,280	(136,720)	(11)
CRW Industries (Campbell)	1,086,259	(163,741)	(13)
Pool Time USA (Pleasanton)	898,108	(351,892)	(28)

The low bid submitted by Pool Time USA is 28 percent below the Engineer's Estimate. The cost estimating consultant provided the estimate based on a steady trend of high construction costs experienced over the last several years. Volatile conditions that continue to influence the construction market, such as labor and material shortages, are resulting in estimating uncertainty. Staff considers the low bid submitted for this project to be competitive and legitimate for the work to be performed and recommends award of contract to Pool Time USA.

Council Policy provides for a standard contingency of 15 percent on public works projects involving retrofits. Staff considers the 15 percent contingency appropriate for this project.

Included in this memorandum is a recommendation to shift \$1,123,000 from the Reserve: Ryland Pools allocation into an active Ryland Pool Repairs appropriation. As detailed below in the Cost Summary/Implications section, remaining project costs total \$1,362,444, however, current funding only totals \$240,000. The additional \$1,123,000 recommended to be allocated to this project will ensure adequate funding is available to award the contract and complete the project.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$898,108
Project Delivery	\$375,000 *
Construction	898,108
Contingency	134,716
TOTAL PROJECT COSTS	\$1,407,824
Prior Year Expenditures	45,380
REMAINING PROJECT COSTS	\$1,362,444

*A total of \$45,380 was expended/encumbered through 2006-2007 for Project Delivery costs.

2. COST ELEMENTS OF CONTRACT: Lump sum contract.
3. SOURCE OF FUNDING: 380 – Construction Tax and Property Conveyance Tax Fund:
Parks Purposes Council District # 3
375 – Subdivision Park Trust Fund
4. OPERATING COSTS: The new Ryland Pool will have a net new operating and maintenance (O&M) impact of \$11,000 annually starting in 2008-2009. This funding was not included in the 2009-2013 Preliminary General Fund Forecast, released on November 14, 2007. The O&M will, however, be included in the Official General Fund Forecast, anticipated to be released in February 2008, and this funding will be reviewed during the 2008-2009 budget process.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn Name	RC #	Total Appn.	Amt. For Contract	Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$1,362,444			
Current Funding Available							
380	5177	Pool Repairs	14816X	\$40,000		V-373	10/16/07, Ord. No. 28143
380	5174	Ryland Pool Repairs	14965X	\$200,000		V-381	
Total Current Funding Available				\$240,000			
Recommended Additional Funding							
375	8147	Reserve: Ryland Pool		\$1,123,000*	\$898,108	V-787	
Total Project Funding				\$1,363,000	\$898,108		

* Included in this memorandum is a request to shift \$1,123,000 from the Reserve: Ryland Pool (reserve totals \$1,450,000) to the Ryland Pool Repairs project to ensure sufficient funding is available to award the construction contract.

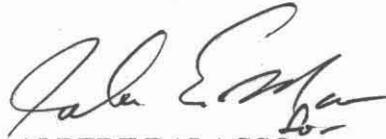
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CEQA

CEQA: Exempt PP07-211.



KATY ALLEN
Director, Public Works Department



ALBERT BALAGSO
Director, Parks, Recreation and
Neighborhood Services Department



JENNIFER A. MAGUIRE
Acting Budget Director

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

KJ:RM:RV

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