



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Albert Balagso
Jane Light
Katy Allen

SUBJECT: SEE BELOW

DATE: 04-28-08

Approved

Date

5/2/08

COUNCIL DISTRICT: 7

SUBJECT: REPORT ON BIDS AND AWARD A CONTRACT FOR THE SEVEN TREES COMMUNITY CENTER AND BRANCH LIBRARY PROJECT AND TRANSFER OF FEE TITLE TO THE COUNTY OF SANTA CLARA

RECOMMENDATION

- (a) Report on bids and award of contract for the construction of the Seven Trees Community Center and Branch Library project to the low bidder, Gonsalves and Stronck Construction, Inc., for the base bid and Add Alternate Nos. 1 through 7 in the amount of \$25,670,567, and approval of a contingency in the amount of \$2,570,000.
- (b) Adoption of a resolution declaring an approximate area of 5,303 square feet along the west side of the property with an average width between 9.0 to 3.5 feet as surplus to the needs of the City, and in accordance with the provisions of Municipal Code Section 4.20.060, authorizing the City Manager to transfer fee title to the County of Santa Clara for expressway lane improvement purposes with a reservation of easements for the purposes of storm drains and catch basins crossing the transferred area, and to execute all documents necessary to complete the transaction.

OUTCOME

Approval of this construction contract to Gonsalves and Stronck Construction, Inc. will allow the Seven Trees Community Center and Branch Library project to be built and occupied for use by the community. Approval of the standard ten percent contingency will provide funding for any unanticipated work necessary for the completion of the project.

EXECUTIVE SUMMARY

The proposed Seven Trees Community Center and Branch Library project will construct a joint building and related site improvements to expand the capacity and services of both the library and the community center on the existing site. Seven bids were received for the project on

April 17, 2008. Staff recommends award of a contract to the low bidder, Gonsalves and Stronck Construction, Inc. for the base bid and all seven Add Alternates.

Add Alternate No. 4 will construct acceleration and deceleration lanes providing a direct connection to the site from Capitol Expressway. In order to provide for the direct access from the expressway, in addition to awarding Add Alternate No. 4, the City must transfer land to the County to widen the expressway for the addition of the new lanes. Staff recommends the adoption of a resolution declaring an area of approximately 5,303 square feet along the west side of the property, with an average width between 9.0 to 3.5 feet, as surplus to the needs of the City, and in accordance with the provisions of Municipal Code Section 4.20.060, authorizing the City Manager to transfer fee title to the County of Santa Clara for expressway lane improvement purposes with a reservation of easements for the purposes of storm drains and catch basins crossing the transferred area, and to execute all documents necessary to complete the transaction.

BACKGROUND

The new Seven Trees Community Center and Branch Library is the sixteenth library and second joint use facility project for the City of San José. The project will be constructed using Library and Parks and Recreation bond funds (approved by San José voters in November 2000), as well as supplemental funding from the Council District 7 Construction and Conveyance Tax Fund and the Park Trust Fund.

The existing Seven Trees Branch Library and Solari Park Community Center are located on a 12 acre site in Council District 7. The site is bounded by Cedros Street and Los Arboles School in the north, Los Arboles Avenue and residential units on the east, Cas Drive and a commercial center on the south and Capitol Expressway to the west (map attached).

The proposed project will construct a new branch library and community center in a joint facility, expanding the capacity and services of both under one roof. On September 11, 2007, City Council approved the Master Plan for the site including the resolution incorporating the environmental mitigation measures as set forth in the Mitigation Monitoring and Reporting Program for the project. In accordance with Council direction in November 2006, this joint facility has been designed to meet the criteria of LEED silver level and will also be registered and submitted to USGBC (United States Green Building Council) for the silver level certificate. The project has also been designed for compliance to the newly adopted 2007 California Building Code.

The project scope includes construction of a new 58,350 square-foot two-story library and community center which contains various reading areas, children and adult collection spaces, family learning center area, tech center, Internet café area, banquet room, gymnasium, fitness areas, various classrooms, senior and teen areas, craft room, ECR (early childhood recreation) classrooms, and administration and support areas. Exterior elements include four tennis courts, one basketball court, picnic areas, various walking paths, a new park restroom, and 216 parking spaces.

This project will increase the capacity of both facilities by approximately 250 percent. In order to improve general access to the facility and avoid potential traffic impacts in the surrounding neighborhood, the project was designed to include direct access to the site from Capitol Expressway. This element is included in the bid as Add Alternate No. 4 for the construction of deceleration and acceleration lanes. In order to achieve the direct access from the County expressway, in addition to awarding the Add Alternate, the City must transfer fee title of approximately 5,303 square feet to the County of Santa Clara, as shown on Exhibits A and B. Staff recommends that Council approve the transfer of fee title to the County of Santa Clara for the area indicated, subject to the City reserving easements for the purposes of the maintenance or repair of storm drains.

Staff has coordinated construction of the deceleration and acceleration lanes with the County Roads and Airport Department. The County has conditionally approved the draft plat plan and legal description contained in Exhibits A and B, and has recommended that the Deputy Director of the Roads and Airport Department approve the transfer of the fee title to this area. As part of the transfer of the property to the County, the City will obtain all necessary permits and consents from the County needed to proceed with construction of the deceleration and acceleration lanes.

Subject to the award of the construction contract, construction is scheduled to begin in June 2008 with completion in spring 2010.

ANALYSIS

Bids were opened on April 17, 2008 with the following results:

<u>Contractors</u>	<u>Base Bid</u>	<u>Add Alt.</u> <u>Total</u>	<u>Total Bid</u>	<u>Variance</u> <u>Amount</u>	<u>Over/</u> <u>(Under)</u> <u>Percent</u>
Zolman Construction and Devel. (San Carlos)	\$30,500,000	\$2,350,000	\$32,850,000	\$2,065,000	7
Engineer's Estimate	28,965,000	1,820,000	30,785,000	-	0.0
Zovich Construction (Brisbane)	28,045,000	1,570,000	29,615,000	(1,170,000)	(4)
John Plane Construction, Inc. (Brisbane)	27,104,000	1,436,000	28,540,900	(2,244,100)	(7)
BRCO Constructors, Inc. (Loomis)	26,800,000	1,495,000	28,295,000	(2,490,000)	(8)
SJ Amoroso (Redwood Shores)	25,337,000	1,720,000	27,057,000	(3,728,000)	(12)
Roebbelen (El Dorado Hills)	24,940,000	1,406,000	26,346,000	(4,439,000)	(14)
Gonsalves & Stronck Const. (San Carlos)	24,257,700	1,412,867	25,670,567	(5,114,433)	(17)

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

- Add Alternate No. 1: Performing Arts Studio
- Add Alternate No. 2: Banquet room patio walls
- Add Alternate No. 3: Parking Lot expansion at Los Arboles Ave side
- Add Alternate No. 4: Capitol Expressway entrance/exit
- Add Alternate No. 5: Ball field walkway
- Add Alternate No. 6: Park restrooms
- Add Alternate No. 7: CCTV (Security) cameras, devices and cabling

<u>Contractors</u>	<u>Add Alt.</u> <u>No.1</u>	<u>Add Alt.</u> <u>No.2</u>	<u>Add Alt.</u> <u>No.3</u>	<u>Add Alt.</u> <u>No.4</u>	<u>Add Alt.</u> <u>No.5</u>	<u>Add Alt.</u> <u>No.6</u>	<u>Add Alt.</u> <u>No.7</u>
Zolman Construction	\$800,000	\$200,000	\$200,000	\$400,000	\$150,000	\$350,000	\$250,000
Engineer's Estimate	390,000	190,000	440,000	290,000	50,000	300,000	160,000
Zovich Construction	300,000	220,000	195,000	275,000	40,000	380,000	160,000
John Plane Const.	276,000	212,000	133,000	287,000	32,000	378,000	118,000
BRCO Constructors	320,000	210,000	160,000	300,000	28,000	327,000	150,000
SJ Amoroso	350,000	233,000	237,000	365,000	39,000	347,000	149,000
Roebbelen	262,000	168,000	140,000	355,000	47,000	316,000	118,000
Gonsalves & Stronck Const.	278,904	117,508	182,270	312,567	37,436	217,432	266,750

Seven bids were received for the project of which six were below the Engineer's Estimate. The low bid was submitted by Gonsalves & Stronck Construction and is 17 percent below the Engineer's Estimate for the base project and all Add Alternates. Staff recommends award of the contract including all Add Alternates to Gonsalves & Stronck Construction. The project budget is sufficient to accommodate all of the Add Alternates.

Council Policy provides for a standard contingency of 10 percent on public works building projects. The standard contingency is appropriate for this project.

EVALUATION AND FOLLOW-UP

Due to favorable bid results, the total cost of the project, \$34.8 million, is significantly lower than the total project budget of \$38.1 million. Staff will return to the City Council at a later date to recommend re-allocation of the project savings.

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)**

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 notifications for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges

General Contractors were pre-qualified to bid this project. In response to the City's Request for Qualifications, 19 statements of qualification from general contractors were received of which 10 were determined as qualified for the project based on the RFQ. Three general contractors disputed the results and, in accordance with the RFQ guidelines, were each granted a hearing with the Director of Public Works. After the hearings, one of the general contractors was determined to be qualified based on the RFQ, resulting in 11 pre-qualified firms for the project.

This award memo will also be posted on the City's website for the May 20, 2008 Council Agenda.

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

COORDINATION

This project and memorandum have been coordinated with the Planning, Building and Code Enforcement Department, Council District 7 Office, 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 community center and branch library will also assist in meeting the General Plan goal of providing 0.43 square feet of library space per capita at this library.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: **\$ 25,670,567**

Project Delivery*	\$6,450,000
Construction	25,670,567
Contingency (10%)	2,570,000
Public Art (Library portion)	210,000
Public Art (PRNS portion)	302,000
TOTAL PROJECT COSTS	\$35,202,567

Prior Year Expenditures* (\$3,680,327)

REMAINING PROJECT COSTS \$31,522,240

***Includes Master Plan**

2. COST ELEMENTS OF CONTRACT: Lump sum contract

3. SOURCE OF FUNDING: 375 – Subdivision Park Trust Fund

385 – Construction Tax and Property Conveyance Tax

Fund: Parks Purposes Council District #7

471 – Parks and Recreation Bond Projects Fund

472 – Branch Libraries Bond Projects Fund

4. OPERATING COSTS: The new Seven Trees Community Center and Branch Library will have a net annual operating and maintenance impact of \$1,407,000 starting in FY 2010-11. This funding was included in the 2009-2013 General Fund Forecast, released on February 29, 2008.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	2007-2008 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$31,522,240		

Total Funding Available						
375	5261	Seven Trees Community Center	145845	\$1,246,000	V-701	10/16/07, Ord. No. 28143
385	6095	Seven Trees Community Center-Multi Service	145845	2,500,000	V-461	
385	4107	Solari Park Master Plan	118831	11,000	N/A	10/16/07, Ord. No. 28143
471	6883	Public Art - Parks and Recreation Bond Projects	146055	302,000 *	V-809	10/16/07, Ord. No. 28143
471	5145	Seven Trees Community Center-Multi Service	145845	18,966,000	V-815	10/16/07, Ord. No. 28143
472	5159	Seven Trees Branch	141465	13,454,000	V-273	10/16/07, Ord. No. 28143
TOTAL				\$36,479,000		

Funding in future years of CIP						
471	5145	Seven Trees Community Center-Multi Service		1,342,000	V-815	
472	5159	Seven Trees Branch		250,000	V-273	
Total Funding Available				\$38,071,000		

* Of the \$2,393,000 budgeted for public art projects related to various Parks and Recreation Bond Projects, \$302,000 is allocated for the Seven Trees Community Center.

CEQA

CEQA: Mitigated Negative Declaration, File No. PP06-175. Resolution approved by Council on September 11, 2007.


ALBERT BALAGSO
 Director of Parks, Recreation and
 Neighborhood Services Department


JANE LIGHT
 Director, Library Department

HONORABLE MAYOR AND CITY COUNCIL

04-28-08

Subject: Seven Trees Community Center and Branch Library

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Katy Allen

KATY ALLEN

Director, Public Works Department

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

KJ:RR:dz/dt/do

Attachments:

Vicinity Map

Expenditure Reconciliation

Exhibits A and B: Legal Description and Plat plan.

ST Award Memo to GS Construction 042308rev3