



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 08-25-08

Approved

Christine J. Shuppin

Date

8-27-08

COUNCIL DISTRICT: 2

SUBJECT: APPROVAL OF CONTRACT FOR THE GARY ALBERTSON PARKWAY

RECOMMENDATION

Report on bids and award of a contract for the Gary Albertson Parkway project to the low bidder, Watkin & Bortolussi, Inc., in the amount of \$657,176, and approval of a contingency in the amount of \$65,700.

OUTCOME

Approval of this construction contract to Watkin & Bortolussi, Inc. will allow the Gary Albertson Parkway project to be built for use by summer 2009. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

In 1987, an easement agreement was executed with PG&E for use of its properties, located in south San José near the Santa Teresa Foothills (bounded by Dondero Way to the north and Curie Drive to the south), for development of a recreational parkway (map attached). The City installed an 8' wide asphalt concrete paved path, with bollards and fencing to prevent vehicular trespassing. No irrigation or landscaping was installed so the area has been characterized by seasonal grasses and weeds.

The trail that was installed in 1987 does not meet the current trail standards. Funding for this project was allocated in order to replace it with one that meets the current standards and also to install irrigation, landscaping, drainage swales and other miscellaneous improvements.

Two residential property owners adjacent to the project site have fences that encroach on to City property by approximately 10 feet. Because the encroachment issue has not yet been resolved

with the property owners, Public Works issued an addendum to the bid slightly modifying the project design. The design modification results in being able to perform all construction required by the construction contract with the current fence alignment. Staff will continue to independently address the encroachment issue.

Construction is scheduled to begin in November 2008 with completion in June 2009.

ANALYSIS

Bids were opened on July 24, 2008 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Elite Landscaping, Inc. (Clovis)	\$1,180,990	\$80,900	7
Engineer's Estimate	1,100,000	---	---
Sposeto Engineering, Inc. (Union City)	964,534	(135,466)	(12)
Robert A. Bothman, Inc. (San José)	929,357	(170,643)	(16)
ESR Construction (San José)	887,000	(213,000)	(19)
Odyssey Landscape Co., Inc. * (Stockton)	847,696	(252,304)	(23)
Wattis Construction Co. Inc. (San José)	830,630	(269,370)	(25)
O'Grady Paving, Inc. (Mountain View)	819,000	(281,000)	(26)
Grade Tech Inc. (San Ramon)	808,800	(291,200)	(27)
Star Construction, Inc. (San Bruno)	800,000	(300,000)	(27)
Joseph J. Albanese, Inc. (Santa Clara)	799,300	(300,700)	(27)
HSR General Engineering Contractors Inc. DBA HSR, Inc. (Santa Clara)	748,877	(351,123)	(32)
Blossom Valley Construction, Inc. (San José)	705,680	(394,320)	(36)
Watkin & Bortolussi, Inc. (San Rafael)	\$657,176	(\$442,824)	(40)

* Bid is considered non-responsive as it was delivered to Purchasing instead of the City Clerk's office.

The low bid submitted by Watkin & Bortolussi, Inc. is 40 percent under the Engineer's Estimate. The recent downturn in the construction market resulted in the City receiving 13 very competitive bids. This favorable bidding climate is reflected in the overall lower than anticipated bids.

Based upon the above information, it is the recommendation of staff to award the project and that the bid by Watkin & Bortolussi, Inc. is considered acceptable for the work involved. Council policy provides for a standard contingency of five percent on public works parks projects. However, on this project, a contingency of ten percent is recommended to accommodate unknown underground conditions at various locations throughout the site. There are sufficient funds to provide for the recommended contingency.

EVALUATION AND FOLLOW-UP

No additional follow-up with the Council is expected at this time.

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)**
- 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)**

Approval of this contract does not meet any of the criteria stated above. However, this memorandum will be posted on the City's website for the September 16, 2008 Council agenda. 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.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Parks, Recreation and Neighborhood Services, 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 Economic Recovery section in that it will spur construction spending in our local economy.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$657,176

Construction Cost	\$657,176
Construction Contingency	65,700
Construction Document consultant fees	89,745
Project Delivery	<u>224,700</u>
TOTAL PROJECT COST	\$1,037,321
Prior Year Expenditures (anticipated to be expended/encumbered through June 2008)	<u>153,445</u>
REMAINING PROJECT COSTS	\$883,876

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

3. SOURCE OF FUNDING: 378 – Construction Tax and Property Conveyance Tax Fund:
Parks Purposes Council District 2
391 – Construction Tax and Property Conveyance Tax Fund:
City-Wide Parks Purposes

4. OPERATING COST: Upon completion, the trail will be added to the City's Park and Trail Inventory and on-going maintenance will be funded through the Park Maintenance budget. Annual funding for maintenance activities is anticipated to be \$5,784 for the 0.48-mile alignment based on current maintenance estimates. Because the trail project includes a landscaping component, additional costs total \$10,000 for the 2.84 acres of associated open space (this cost is reduced from the typical \$10,000/acre rate due to the limited landscape improvements). Annual funding for management activities performed by Trail Rangers is anticipated to be \$1,180/year. Therefore, the total operating and maintenance impact associated with this project is anticipated to be \$16,964 annually, beginning in 2009-2010. This funding is included in the 2009-2013 General Fund Forecast, released on February 29, 2008.

BUDGET REFERENCE

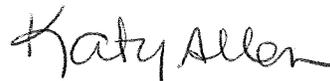
The table below identifies the fund and appropriation proposed to fund the construction contract recommended as part of this memorandum and remaining project costs, including project delivery, construction and contingency costs.

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2008-2009 Proposed Budget Page*	Last Budget Action (Date/ Ord. No.)
Remaining Project Costs				\$883,876			
Current Funding Available							
378	5172	Trail: Albertson Parkway	14191B	\$465,000		V-318	6/24/2008 Ord. No. 28349
391	5172	Trail: Albertson Parkway	TBD	\$1,000,000	\$657,176	V-466	6/24/2008 Ord. No. 28349
Total Current Funding Available				\$1,465,000	\$657,176		

* The 2008-2009 Proposed Capital Budget was approved by City Council on June 24, 2008.

CEQA

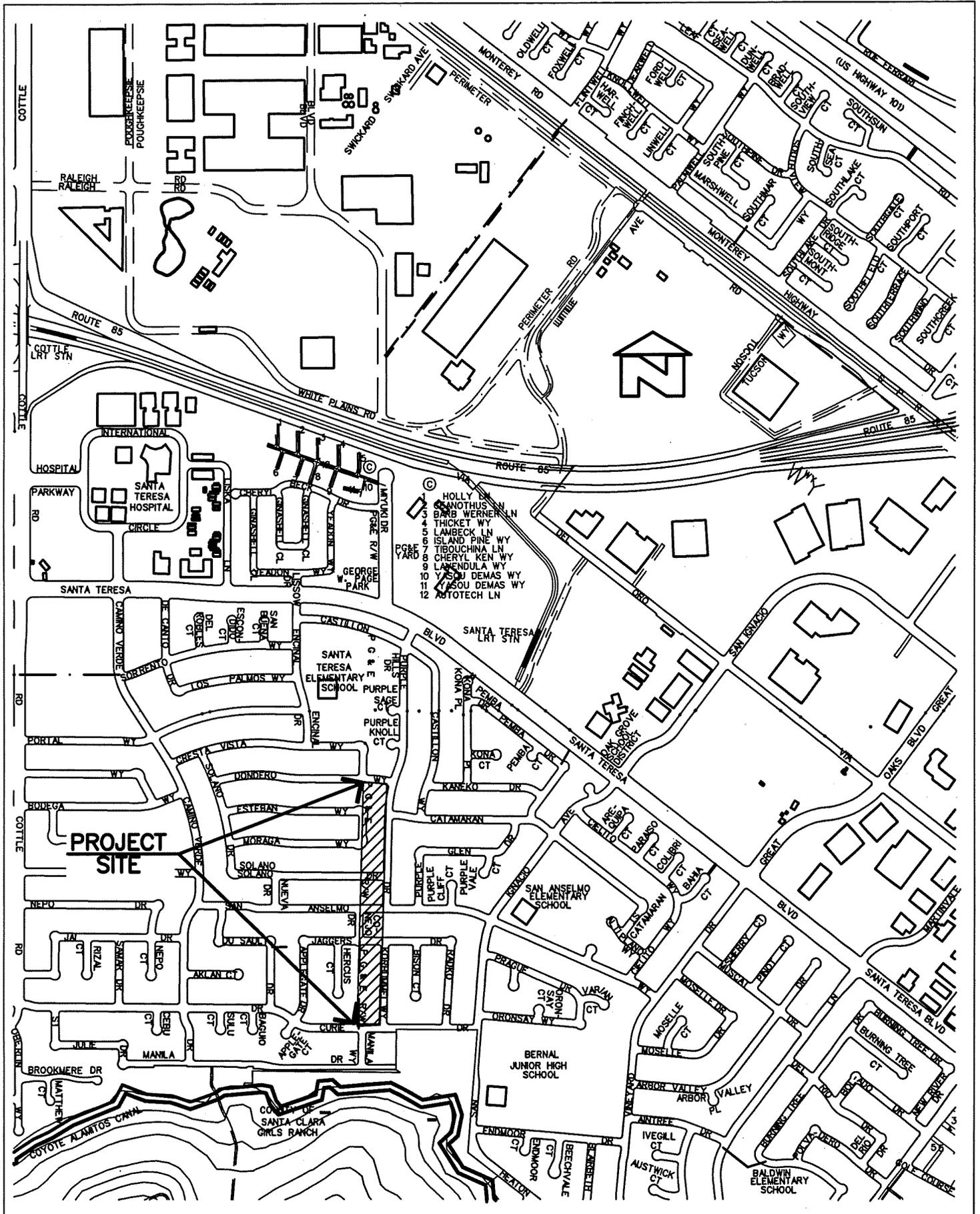
CEQA: Exempt, PP07-076



KATY ALLEN
Director, Public Works Department

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, at (408) 535-8300.

KA:KJ:JP:ml
Attachment



GARY ALBERTSON PARKWAY
LOCATION MAP
 NOT TO SCALE