



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
James R. Helmer

SUBJECT: SEE BELOW

DATE: 04-20-09

Approved

Date

4/23/09

COUNCIL DISTRICT: 3

SUBJECT: HENSLEY HISTORIC DISTRICT - SJSU TO JAPANTOWN PEDESTRIAN CORRIDOR PROJECT - FEDERAL PROJECT NO. CML-5005 (093)

RECOMMENDATION

Report on bids and award of contract for the Hensley Historic District – San José State University (SJSU) to Japantown Pedestrian Corridor Project – Federal Project No. CML-5005 (093) to the low bidder, Guerra Construction Group, to include the base bid and Add Alternate No. 1, in the amount of \$1,180,778, and approval of a contingency in the amount of \$177,116.

OUTCOME

Approval of the construction contract to Guerra Construction Group will enable the Hensley Historic District Pedestrian Corridor Project to proceed. Approval of a 15 percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

The Metropolitan Transportation Commission (MTC) receives discretionary federal transportation funds from the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ). MTC has used a portion of these funds to create a Housing Incentive Program (HIP), which rewards cities with transportation funding when high-density housing is approved near transit services. The HIP Program also required the identification of a transportation improvement project that supports improving community accessibility to transit.

On June 26, 2007, the City Council adopted Resolution No. 73912, authorizing the City Manager to execute and submit an application to MTC for STP and CMAQ funding in an amount not to exceed \$1,625,000 for the Hensley Historic District portion of the SJSU to Japantown Pedestrian Corridor Project.

The scope of work includes installation of PCC wheelchair ramps, historic monuments and identities, bulb-outs, decorative paver crosswalks, pedestrian-scale lighting, infill street trees,

signal modifications, relocation and installation of storm inlets, laterals and asphalt pavement work associated with the construction of the bulb-outs and enhanced crosswalks. The proposed improvements will enhance pedestrian facilities and connection to transit lines in the SJSU, San José City Hall, Hensley Historic District and Japantown areas.

In addition to the base bid scope of work, there is one Add Alternate bid item as follows:

Add Alternate No. 1: Slurry seal work for Third and Fourth Streets from Julian to Jackson Streets.

Construction will begin in July 2009, with completion expected in January 2010.

ANALYSIS

Bids were opened on March 12, 2009, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt. #1</u>	<u>Total Bid</u>	<u>Variance</u>	<u>Over/ (Under)</u>
Rodan Builders, Inc. (Belmont)	\$1,805,195.50	\$28,700.00	\$1,833,895.50	\$339,890.50	23%
Granite Construction Company (Watsonville)	\$1,568,121.00	\$51,660.00	\$1,619,781.00	\$125,776.00	8%
Wattis Construction Company (San José)	\$1,483,500.00	\$45,920.00	\$1,529,420.00	\$35,415.00	2%
Engineer's Estimate	\$1,350,505.00	\$143,500.00	\$1,494,005.00	-----	----
ESR Construction (San José)	\$1,389,000.00	\$57,400.00	\$1,446,400.00	(\$47,605.00)	(3%)
Grade Tech, Inc. (Castro Valley)	\$1,397,160.00	\$48,790.00	\$1,445,950.00	(\$48,055.00)	(3%)
Robert A. Bothman, Inc. (San José)	\$1,331,900.00	\$49,938.00	\$1,381,838.00	(\$112,167.00)	(8%)
Interstate Grading & Paving (San Francisco)	\$1,301,830.00	\$57,400.00	\$1,359,230.00	(\$134,775.00)	(9%)
Sposeto Engineering, Inc. (Union City)	\$1,257,256.00	\$68,880.00	\$1,326,136.00	(\$167,869.00)	(11%)
Pavex Construction Division (San José)	\$1,266,835.00	\$45,920.00	\$1,312,755.00	(\$181,250.00)	(12%)
Suarez & Munoz Construction (Hayward)	\$1,250,035.00	\$48,790.00	\$1,298,825.00	(\$195,180.00)	(13%)
Joseph J. Albanese, Inc. (Santa Clara)	\$1,196,306.00	\$45,920.00	\$1,242,226.00	(\$251,779.00)	(17%)
Golden Bay Construction, Inc. (Hayward)	\$1,158,328.00	\$66,010.00	\$1,224,338.00	(\$269,667.00)	(18%)
Guerra Construction Group (San José)	\$1,123,377.50	\$57,400.00	\$1,180,777.50	(\$313,227.50)	(21%)

The bid documents were evaluated and found to be in order. The low bid submitted by Guerra Construction Group is 21 percent below the Engineer's Estimate. The average and median bid amounts are 9 and 6 percent below the Engineer's Estimate, respectively. Considering the current bidding environment, including the steep competition in the construction industry in the Bay Area, staff considers the low bid a reasonable price for the work involved. The Engineer's Estimate and the low bidder's construction cost were analyzed and the most significant price differential can be found in four areas: Tree planting, PCC wheelchair ramps, Slurry Seal, and Reinforced Concrete Pipe installation.

Staff recommends a 15 percent contingency for this project due to past experience performing underground utility work in mature neighborhoods. The funding budgeted for this project is sufficient for the recommended contingency amount.

In accordance with Federal Regulations, 49 CFR Part 26, no DBE goal was established for this project. Guerra Construction Group had 11% DBE participation in their bid.

EVALUATION AND FOLLOW-UP

This project is currently within budget and on schedule. No additional follow-up actions with the Council are 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)**
- 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 Criterion 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* and the *San Jose Mercury News*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges. This memorandum will also be posted on the City's intranet website for the May 12, 2009 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Department of Planning, Building and Code Enforcement, 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 SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$774,000
Construction	1,180,778
Contingency	177,116
Total Project Costs	\$2,131,894
Prior Year Expenditures	278,200
REMAINING PROJECT COSTS	1,853,694

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Adjustment of Utilities	\$45,894
Storm Drainage Facilities	92,026
Asphalt Concrete	415,680
Concrete Work	180,139
Traffic Signal Work	10,765
Electrical Work	172,352
Landscape Work	77,498
Miscellaneous Items of Work	186,424
TOTAL CONTRACT AMOUNT:	1,180,778

3. SOURCE OF FUNDING: 429- Building and Structure Construction Tax Fund
450- Services for Redevelopment Capital Projects Fund

4. OPERATING COSTS: The proposed operating and maintenance costs of this project have been reviewed and will have no significant impact on the General Fund operating budget.

BUDGET REFERENCE

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

HONORABLE MAYOR AND CITY COUNCIL

04-20-09

Subject: Hensley Historic District – SJSU to Japantown Pedestrian Corridor- Fed. Proj. No. CML-5005(093)

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Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	2008-2009 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$1,853,694			
Current Funding Available							
450	6126	Julian & St. James St. Ph1B Couplet Conversion	148963	\$219,266		V-1158	10/21/08, Ord.No. 28422
429	5337	SJSU to Japantown Pedestrian Corridor	147305	\$1,912,000	\$1,180,778	V-1116	10/21/08, Ord. No. 28422
Total Current Funding Available				\$2,131,266	\$1,180,778		

CEQA

Negative Declaration and addenda thereto, File No. PP02-05-115 and PP04-293.

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For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.

