



# SUPPLEMENTAL

COUNCIL AGENDA: 06-23-09  
ITEM: 2.34(a)

## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen  
John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 06-15-09

Approved

Date

6/17/09

**COUNCIL DISTRICT:** 3  
**SNI AREA:** Five Wounds  
Brookwood Terrace

### SUPPLEMENTAL

**SUBJECT: SAN JOSÉ ENVIRONMENTAL INNOVATION CENTER PHASE I  
IMPROVEMENTS**

#### REASON FOR SUPPLEMENTAL

To provide additional information obtained after bids were opened for the San José Environmental Innovation Center Phase I Improvements.

#### RECOMMENDATION

Report on bids and award of contract for the San José Environmental Innovation Center Phase I Improvements to the low bidder, Calstate Construction, in the amount of \$2,256,579 and approval of a contingency in the amount of \$225,657.

#### BACKGROUND

A memorandum dated June 1, 2009 was forwarded to City Council for the June 23, 2009 Council meeting. The purpose of this supplemental memorandum is to provide additional information obtained after the bid opening.

#### ANALYSIS

Bids were opened on May 21, 2009 with the following results:

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
O'Grady Paving, Inc. (Mountain View, CA)	\$3,004,000	\$44,000	2
<b>Engineer's Estimate</b>	<b>2,960,000</b>	---	---
Robert A. Bothman, Inc. (San José, CA)	2,944,820	(15,180)	(1)
Pavex Construction Division (Watsonville, CA)	2,864,570	(95,430)	(3)
Galeb Paving, Inc. (Saratoga, CA)	2,743,250	(216,750)	(7)
Granite Construction Co. (Watsonville, CA)	2,672,000	(288,000)	(10)
Calstate Construction, Inc. (Fremont, CA)	2,256,579	(703,421)	(24)

The low bid submitted by Calstate Construction is 24 percent below the Engineer's Estimate and is considered acceptable for the work involved. The Engineer's Estimate was adjusted down to account for the recent trend of dropping construction costs resulting in five bids that are within the standard 10% variance; only the low bid was outside the standard variance.

Council Policy provides for a standard contingency of ten percent on public works projects involving the construction of a building and underground construction. The standard contingency is appropriate for this project.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: **\$2,256,579**

Project Delivery	924,335
Construction	2,256,579
Contingency (10%)	225,657
<b>TOTAL PROJECT COSTS</b>	<b>\$3,406,571</b>
Prior Year Expenditures	(\$ 139,907)
<b>REMAINING PROJECT COSTS</b>	<b>\$ 3,266,664</b>

\* A total of \$139,907 was expended in FY 2006-07 and FY 2007-08 for project delivery costs including environmental and engineer consultant services, state and federal regulatory permits, survey, and design development.

2. COST ELEMENTS OF THE CONTRACT:

Mobilization, Storm Water Prevention, Utility Conflict, Storm Drainage Utilities, Operations and Maintenance	\$ 358,716
Demolition, Site Clearing, Hazardous Material Removal	\$ 441,309
Rigid Paving, Flexible Paving and Aggregate Base Paving	\$ 403,942
Chain Link Fences and Gates, Decorative Metal Fencing and Gates	\$ 124,826
Planting Irrigation, Planting Preparation and Plants	\$ 207,475
Pervious Concrete, Pervious Pavers, Permeable Pavers, Rubber Pavers, Silva Cells and Structural Soil	\$ 188,180
Design-Build Canopy	\$ 318,405
Electrical	\$ 141,748
Miscellaneous Items and Signage	\$ 71,978
<b>TOTAL CONSTRUCTION CONTRACT</b>	<b>\$ 2,256,579</b>

3. SOURCE OF FUNDING: 423 – Integrated Waste Management Fund
4. OPERATING COST: An on-site Senior Maintenance Worker and \$100,000 in non-personal funds for the maintenance of the Las Plumas site were approved by Council in the 2007-2008 Adopted Operating Budget (IWM Fund). Maintaining and staffing the Las Plumas facility beginning in July 2007 was a requirement in the EIR approved by Council in June 2007 to mitigate the risk of illegal dumping, vandalism, theft, and blight at the site. Part of this facility is currently used to stage the City's Public Litter Container maintenance program and to warehouse supplies and equipment for the City's special event recycling program. No additional operating costs above those covered by the \$100,000 base budget for operating expenses are anticipated when Phase I of the HHW facility construction is completed. In addition, the current operating costs will be partially offset by lease revenue of \$53,200 per year the City expects to receive from the County for the County's use of the facility.

### **BUDGET REFERENCE**

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

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2008-09 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$3,266,644</b>			
<b>Current Funding Available</b>							
423	3628	Household Hazardous Waste Las Plumas Facility	009784	\$4,188,492	\$2,256,579	XI-47	02/24/2009 Ord. No. 28502
<b>Total Funding for Project</b>				<b>\$4,188,492</b>	<b>\$2,256,579</b>		

HONORABLE MAYOR AND CITY COUNCIL

06-15-09

Subject: San José Environmental Innovation Center Phase 1

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CEQA

CEQA: EIR (PP06-100) and Resolution No.73929 certified by the San José Planning Commission on June 11, 2007, and approved by City Council on June 26, 2007, respectively, and addenda thereto (PP09-112).



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