



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 07-20-09

Approved

Date

7/30/09

**COUNCIL DISTRICT:** 5  
**SNI AREA:** East Valley /  
Communities

**SUBJECT: LOWER SILVER CREEK TRAIL REACH 7 AT SILVERSTONE PLACE**

## RECOMMENDATION

Report on bids and award of contract for the Lower Silver Creek Trail Reach 7 at Silverstone Place Project to the low bidder, Perma Green Hydroseeding, Inc., in the amount of \$389,700, and approval of a contingency in the amount of \$38,970.

## OUTCOME

Approval of this construction contract will allow for development of the Lower Silver Creek Trail Reach 7 providing a 0.33 mile landscaped trail along Silverstone Place, between Foxdale Drive and Ocala Avenue. Approval of a ten percent contingency will provide funding for anticipated work necessary for the completion of the construction of this project.

## BACKGROUND

On December 4, 2007, Council approved the Master Plan for the Lower Silver Creek Trail (Item No. 2.3) defining a trail alignment linking the Coyote Creek Trail system with the Thompson Creek Trail system. The Lower Silver Creek Trail begins at the confluence with Coyote Creek system near Watson Park, generally follows the creek southeasterly up to Dobern Avenue, at which point it travels southerly along an existing utility corridor in order to reach Thompson Creek via Lake Cunningham. The trail system is adjacent to commercial developments and residential neighborhoods and provides access to several city parks along the route.

Lower Silver Creek Trail Reach 7, located along Silverstone Place between Ocala Avenue and Foxdale Drive, is a 2.7 acre site, 0.33 miles in length, and adjacent to single-family residential homes (map attached).

The site is owned by Pacific Gas & Electric Company (PG&E) and is used as an electrical and gas transmission corridor extending from Story Road to Ocala Avenue.

On June 24, 2008, Council adopted a resolution to file for eminent domain (Item No. 2.45) and to apply for an Order of Possession before judgment. The Order of Prejudgment Possession was issued on April 21, 2009, stating that the City was entitled to take possession and use of the easement on or after June 1, 2009.

The scope of work for this project includes site preparation, erosion control, installation of 12-foot wide asphalt trail with 2-foot wide aggregate base shoulders, compacted base rock paving for open gathering spaces and PG&E maintenance areas, benches, trash receptacles, dog bag dispensers, bollards, concrete headers, signage, drought tolerant tree and shrub planting, an irrigation system and other miscellaneous site amenities.

Construction is anticipated to begin in October 2009 with completion in summer 2010.

### ANALYSIS

Bids were opened on May 28, 2009 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Granite Construction Company (Watsonville, CA)	\$559,700	\$2,930	6
Watkin & Bortoussi, Inc. (San Rafael, CA)	535,700	5,300	1
<b>Engineer's Estimate</b>	<b>530,400</b>	---	---
ESR Construction, Inc. (San Jose, CA)	527,147	3,253	(1)
Blossom Valley Construction, Inc. (San Jose)	509,940	(20,460)	(4)
Stevens Creek Quarry, Inc. (Cupertino, CA)	508,200	(22,200)	(4)
AHI (San Francisco, CA)	475,826	(54,574)	(10)
Elite Landscaping, Inc. (Clovis, CA)	474,800	(55,600)	(11)
Pavex Construction Division (San Jose, CA)	469,900	(60,500)	(11)
Guerra Construction Group (San Jose, CA)	467,600	(62,800)	(12)
JJ Nguyen, Inc. (San Jose, CA)	453,587	(76,813)	(15)
Joseph J. Albanese, Inc. (Santa Clara, CA)	444,850	(85,550)	(16)
Suraz and Munoz Construction, Inc. (Hayward, CA)	436,308	(94,092)	(18)

Wattis Construction Company, Inc. (San Jose, CA)	436,839	(93,561)	(18)
O.C. Jones & Sons, Inc. (Berkeley, CA)	436,900	(93,500)	(18)
Perma Green Hydroseeding, Inc. (Gilroy, CA)	\$398,700	(\$131,700)	(25)

The low bid submitted by Perma Green Hydroseeding, Inc. is 25 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. Six of the 15 bids are within the industry standard 10 percent variance.

Council Policy provides for a standard contingency of five percent on street, sidewalk and park 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.

#### **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 does not meet any of the criteria above. However this item will be posted on the City's website for the August 11, 2009 Council agenda. To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San Jose Post Record*. Bid packages for all Department of Public Works construction projects are routinely provided to a standard list of 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, Environmental Services, Finance, the City Attorney’s Office and the City Manager’s Budget Office.

**FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy and create temporary construction jobs to help lessen the effects of the current economic downturn. This project supports Green Vision Goal No. 10 which seeks to develop a 100-mile trail network by 2022.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$398,700

COST OF PROJECT:

Property Easement Acquisition	\$141,898
Project Delivery	374,457
Construction	398,700
Contingency	<u>39,870</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$954,925</b>
Prior Year Expenditures	<u>260,647</u> *
<b>REMAINING PROJECT COSTS</b>	<b>\$694,278</b>

\* A total of \$260,647 was expended or anticipated to be expended in 2007-08 and 2008-09 for project design, bidding, real estate acquisition costs including services for environmental studies, attorney fees, and survey. The real estate acquisition costs and attorney fees to complete the Order of Possession work is still in process.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Mobilization, Utility Conflict Work	\$ 37,500
Storm Water Prevention, Emergency Erosion Control	21,200
Site Preparation, Earthwork & Grading, Traffic Control	72,000
Compacted Base Rock Paving	30,000
Irrigation System, Planting, 60-Day Maintenance	66,000
Concrete Work, Asphalt Concrete Work	125,000
Electrical Work	17,000
Miscellaneous Items	<u>30,000</u>
<b>TOTAL CONSTRUCTION CONTRACT AMOUNT</b>	<b>\$398,700</b>

3. SOURCE OF FUNDING: 382 – Construction Tax and Property Conveyance Tax Fund:  
Parks Purposes Council District #5  
375 – Subdivision Park Trust Fund

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4. OPERATING COST: Funding of \$16,000 was allocated to the Parks, Recreation and Neighborhood Services Department in the 2008-2009 Adopted Budget, with annual funding of \$34,000 allocated beginning in 2009-2010. This funding supports periodic maintenance, long-term repair and Trail Patrol staffing.

**BUDGET REFERENCE**

The table below identifies the fund and appropriations proposed to fund the contract(s) 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	2009-2010 Proposed Budget (Page)*	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				\$694,278			
<b>Current Funding Available</b>							
382	6135	TRAIL: Lower Silver Creek/Silverstone Place	150185	\$1,507,000	398,700	V-346	6/23/2009, Ord. No. 28593
375	6135	TRAIL: Lower Silver Creek/Silverstone Place	TBD	50,000		V-489	6/23/2009, Ord. No. 28593
<b>Total Current Funding Available</b>				\$1,557,000	\$398,700		

\*The 2009-2010 Capital Budget was adopted by the City Council on June 23, 2009.

**CEQA**

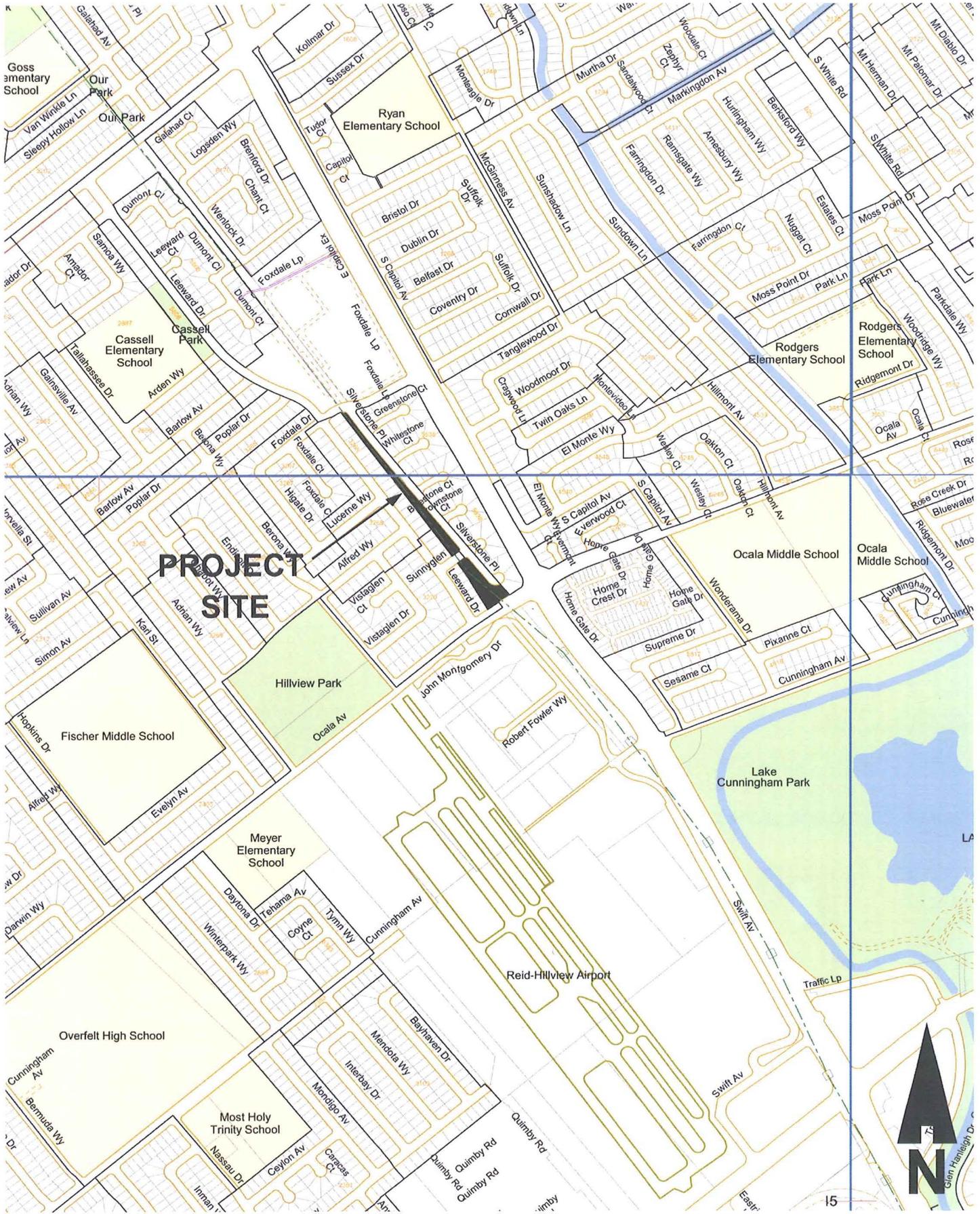
CEQA: Mitigated Negative Declaration, PP07-106.

/s/

KATY ALLEN  
Director, Public Works Department

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

KJ:jp:an  
Attachment  
Vicinity Map



# LOWER SILVER CREEK TRAIL REACH # 7 - SILVERSTONE Location Map

Not to Scale