



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean
Katy Allen

SUBJECT: SEE BELOW

DATE: 09-27-10

Approved

Date

10/4/10

Council District: N/A

**SUBJECT: AWARD OF PROJECT AND MCCARTHY HOUSE DEMOLITION-
APPROVAL OF PROJECT**

RECOMMENDATION

Adoption of a resolution:

1. Authorizing the Director of Environmental Services to award the contract for the McCarthy House Demolition Project to the lowest responsive and responsible bidder in an amount not to exceed \$126,200, and approve a construction contingency with a maximum value of \$46,680.
2. To decide any timely bid protest(s), to make the City's final determination as to lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

OUTCOME

Approval of the delegation of authority for the Director of Environmental Services to award this construction contract will allow the demolition of the McCarthy House to proceed within the timeline specified by environmental clearance (CEQA) for the project. Approval of a construction contingency in the amount of \$46,680 will provide funding for unforeseen work necessary for the proper completion of the project.

BACKGROUND

The City of San José was granted the McCarthy House property, located at 565 N. McCarthy Ranch Boulevard in Milpitas, in August 2000 by Joseph McCarthy. The property is located adjacent to the San Jose Santa Clara Water Pollution Control Plant (Plant) and is currently considered to be part of the Plant buffer lands. The grant deed for the property specifies that the property shall be used solely for open space purposes, and that it shall be kept reasonably clean, orderly and free of litter and debris. The house, adjoining sheds, and related structures

are in a state of disrepair and have been used recently by transients. There is also miscellaneous other debris located on the property. The intent of the project is to remove the house and related structures in order facilitate the open space purpose of the property and to ensure that the property is kept clean and orderly consistent with the requirements of the grant deed and the Plant's Master Plan.

ANALYSIS

The purpose of the proposed project is to demolish and remove the structures which are located on less than one acre of the property. There are three structures on the property, as well as, several animal pens. Per the City's Planning Department, none of the structures are considered to be historically significant. As expected with older structures, several of them have either lead or asbestos contamination that will require remediation prior to demolition. Hazmat remediation will therefore be included in the scope of this proposed project.

Demolishing the structures, including removal of concrete foundation and paths, followed by hydro-seeding will return the property to a state similar to the other surrounding Plant buffer lands and will eliminate the unauthorized use of the structures by persons without permission. All healthy trees on site will be protected and preserved to the extent possible. Per the CEQA Exemption condition, all native trees, of which there are two, will be protected and preserved.

The Engineer's Estimate for this proposed project is \$126,200, which includes all hazmat remediation, demolition, rough grading, and hydro-seeding. Due to the limited nature of the project and associated environmental requirements, there are no suitable add-alternates for this project. Given the relatively low value of the base contract and the lack of any documentation regarding existing property conditions, staff considers the standard construction contingency for Building Renovation projects of 15% as potentially insufficient for this project. Therefore, staff is recommending that Council authorize a construction contingency of up to a maximum value of \$47,680 (or approximately 37.7 percent of the Engineer's Estimate). This will allow staff to address any unforeseen items in a timely manner and within the time constraints of the environmental requirements for the project.

With the exception of the hazmat remediation specifications, staff completed the plans and specifications for the project with in-house resources in the Department of Public Works. Construction is scheduled to begin in November 2010 with completion in mid-January 2010. As a condition of its CEQA Exemption status, the project's construction timing is based on the requirement to perform the work between September and January in order to avoid the nesting season for raptors and other birds.

For these reasons staff is asking Council to delegate authority to the Director of Environmental Services to decide any bid protests, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

The specifications for the project will include the following process:

1. Bid results and Notification of Intent to Award contract to Apparent Low Bidder by the Director of Environmental Services will be posted on the Bid Hotline website.
2. All bidders will be emailed or faxed a copy of the Notification of Intent to Award contract and will have five days to file a formal written bid protest.
3. The Director of Environmental Services will then decide any timely bid protests and then award the contract or reject all bids and re-bid the project as appropriate.

EVALUATION AND FOLLOW UP

This project is currently in budget and on schedule. No additional follow up action 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 project does not meet any of the above Criteria, but this memorandum will be posted on the City's website for the October 19, 2010 Council agenda.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, the City Manager's Budget Office, and the City Attorney's Office. This project and memorandum are scheduled to be considered by the Treatment Plant Advisory Committee on October 14, 2010.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: (Engineer's Estimate) **\$126,200**

2. COST OF PROJECT:

Project Delivery	\$92,120
Construction *	131,200
Contingency	47,680
TOTAL	\$271,000
Prior Year Expenditures**	(\$29,100)
REMAINING PROJECT COSTS	\$241,900

- * Includes estimated costs of \$5000 for Utility fees that will not be part of the Contract.
- ** A total of approximately \$29,100 was expended and encumbered thru 2009-2010 for project delivery costs for this project.
- *** This represents estimated costs only. Actual costs will be available once a contractor has been selected.

3. SOURCE OF FUNDING: 513 – San Jose Santa Clara Treatment Plant Operating Fund

4. FISCAL IMPACT: 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 proposed operating and maintenance costs of this project have been reviewed and will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund	Appn.	Appn. Name	RC	Total Appn.*	Amt. For Contract	2010-2011 Proposed Operating Budget Page*	Last Budget Action (Date, Ord.)
Total Remaining Project Costs				\$241,900			
Current Funding Available							
513	0762	Non-Personal/ Equipment	972872	\$25,058,118	\$126,200	XI-75	06/29/10 28765
Total Funding Available				\$25,058,118	\$126,200		

* The 2010-2011 Adopted Capital Budget was approved by the City Council on June 29, 2010, and will be published in fall 2010.

CEQA

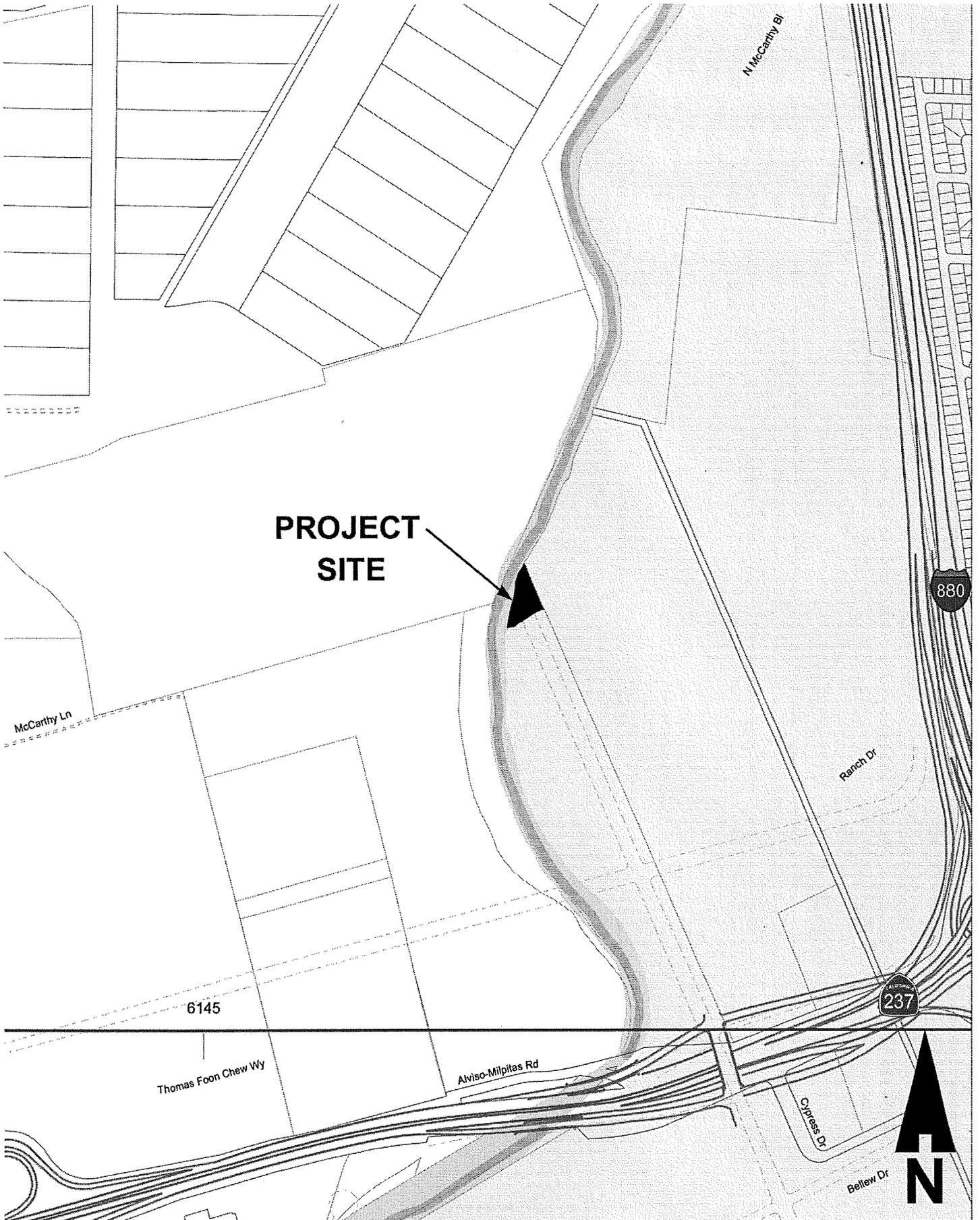
CEQA: Exemption, File No. PP09-154

/s/
 KATY ALLEN
 Director, Public Works

/s/
 JOHN STUFFLEBEAN
 Director, Environmental Services

For questions please contact Jon Newby, Mechanical Maintenance Division Manager, at (408) 945-5160, or Dave Sykes, Assistant Director of Public Works, at (408) 535-8300.

Attachment – McCarthy Ranch Demolition Location Map



McCARTHY RANCH DEMOLITION
Location Map
PROJECT NO. 6004