



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Albert Balagso
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 10-25-10

Approved

Date

10/29/10

COUNCIL DISTRICT: 3

SNI: Thirteenth Street

SUBJECT: REPORT ON BIDS AND AWARD FOR WATSON PARK PHASE II IMPROVEMENTS AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND

RECOMMENDATION

- a. Report on bids and award of contract for the Watson Park Phase II Improvements Project to the low bidder, Joseph J. Albanese, Inc., for the base bid and Add Alternate No. 1 in the amount of \$1,702,000, and approval of a contingency in the amount of \$158,000.
- b. Adoption of the following Appropriation Ordinance amendments in the Subdivision Park Trust Fund (Fund 375):
 - 1) Increase the appropriation to the Parks, Recreation and Neighborhood Services Department for the Watson Park Phase II Development (Soccer Field) by \$416,000; and
 - 2) Decrease the appropriation to the Parks, Recreation and Neighborhood Services Department for the Reserve: Future PDO/PIO Projects by \$416,000.

OUTCOME

Approval of this construction contract to Joseph J. Albanese, Inc. will allow the Watson Park Phase II Improvements Project to be built for use by summer 2011. Approval of a 10 percent contingency will provide funding for any unanticipated work necessary for the proper completion of the project.

BACKGROUND

Watson Park is a community park of approximately 35 acres located along Coyote Creek within the 13th Street Strong Neighborhood Initiative (SNI) area in Council District 3 in central San José. Watson Park is bordered by 22nd and Jackson Streets to the west, State Highway 101 to the north, Coyote Creek to the east, and a school and private property to the south. Access to the site is from 22nd Street with a secondary access off Taylor Street to the northern end of the park (map attached).

In the fall of 2005, a Capital Project Advisory Committee (CPAC) was formed to work with City staff on park planning efforts on behalf of the larger Watson Park neighborhood. A decision was made to prepare an updated Master Plan for Watson Park that would incorporate site remediation efforts and reflect the program needs of the community. The updated master plan, approved by Council in September 2008, consists of two soccer fields with a field house, community garden, dog park, group picnic areas, skate park, basketball and volleyball courts, tot and youth play lots, open turf areas, pathways, senior area with gazebo and labyrinth, restroom, parking, pedestrian and bicycle trail and a bridge over Coyote Creek.

The Master Plan was then scheduled to be implemented in phases, with the remediation of the entire site occurring simultaneously with the Phase I improvements. The Phase I improvements are currently under construction and consist of the following: demolition, remediation earthwork of the entire 35 acre site, grading, site preparation, installation of storm drainage and sanitary sewer, one natural turf soccer field and amenities, dog park and amenities, pathways, tot and youth play lots, parking lot, picnic areas, restroom, basketball courts, open turf and meadow areas, fencing and gates, parking and pathway lighting, recycled water irrigation system, planting, and other miscellaneous site amenities. These improvements are scheduled to be completed in March 2011.

The Phase II Improvements Project is located in the northern end of the park site and consists of the following: site preparation, finished grading, installation of an artificial turf soccer field with amenities, drainage, night use soccer field lighting, gravel parking lot, fencing and gates, pathway lighting, gravel access road from Taylor Street, irrigation and planting.

In addition to the base bid scope of work there are three (3) Add Alternate bid items as follows:

Description

Add Alternate No. 1: Asphalt Concrete Parking Lot

Add Alternate No. 2: Asphalt Concrete Access Road

Add Alternate No. 3: Irrigation and Landscape

ANALYSIS

Bids were opened on September 30, 2010 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt. No. 1</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Interstate Grading & Paving, Inc. (South San Francisco)	\$1,770,300	\$121,000	\$1,891,300	\$385,300	25
O.C. Jones & Sons, Inc. (Berkeley)	1,650,700	122,000	1,772,700	266,700	18
Top Grade Construction, Inc. (Livermore)	1,645,785	120,000	1,765,785	259,785	17
Blossom Valley Construction – S.A.C., Inc. (San José)	1,637,046	151,133	1,788,179	282,179	19
Pavex Construction Division (San José)	1,591,105	124,775	1,715,880	209,880	14
Joseph J. Albanese, Inc. (Santa Clara)	1,581,000	121,000	1,702,000	\$196,000	13
Engineer's Estimate	\$1,331,000	\$175,000	\$1,506,000	---	---

The low bid submitted by Joseph J. Albanese, Inc. is 13 percent over the Engineer's Estimate and is considered acceptable for the work involved. The Engineer's Estimate anticipated lower costs for certain improvements which were based on the recent trend of similar work such as concrete paving, placement of aggregate base rock, electrical work, fencing, storm drainage and previous experience with the Phase I improvements. Additionally, this project required a hazardous substance removal license to bid the project which may have limited the number of bidders.

Subsequent to the bid opening and in consultation with the Council Office, Add Alternate No. 1 is recommended for award. While Add Alternate Nos. 2 and 3 are desirable items, neither is considered to be essential items of work and therefore are not recommended for award.

Based upon the above information, it is the recommendation of staff to award the project to Joseph J. Albanese, Inc. Council policy provides for a standard contingency of five percent on public works parks projects. However, on this project, a contingency of 10 percent is recommended due to the unknown conditions of the northern end of the park site. The funds budgeted for this project are sufficient 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 meets Criterion 1 above. This memorandum will be posted on the City's website for the November 16, 2010 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.

In addition, an extensive community outreach effort included frequent meetings with the CPAC, community newsletters and community-wide meetings to solicit input, address concerns, and validate the project approach. Project information and studies were posted on the City's internet.

COORDINATION

This project and memorandum have been coordinated with the Departments of General Services, Planning, Building and Code Enforcement, Environmental Services and the City Attorney's 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:	\$1,702,000
Construction	\$1,702,000
Construction Contingency	158,000
Project Delivery	260,100
TOTAL PROJECT COST	\$2,120,100
Prior Year Expenditures	49,200 *
REMAINING PROJECT COSTS	\$2,070,900

* A total of \$49,200 was expended in fiscal year 2009-2010 for project delivery costs including design development and preliminary engineering.

2. **COST ELEMENTS OF CONSTRUCTION CONTRACT:**

1. Mobilization, Utility Conflict and Storm Water Pollution Control Plan	\$78,000
2. Demolition, Hazardous Material Removal, Earthwork and Storm Drainage Utilities	127,000
3. Aggregate Base Courses	305,000
4. Decomposed Granite and Concrete Paving	162,000
5. Asphalt Concrete	131,000
6. Electrical	190,000
7. Irrigation, Operation and Maintenance Period	57,000
8. Synthetic Field Sport Surfacing and Misc. Site Furnishings	<u>652,000</u>
TOTAL	\$1,702,000

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

4. **OPERATING COST:** This project is anticipated to have a net zero operating and maintenance impact on the General Fund. A total of \$59,000 is anticipated to be expended annually to accommodate new stormwater management facilities, newly planted areas, staffing for the operations of the lighted soccer field, and field maintenance. However, it is anticipated that this cost will be fully offset by rental revenues from the lit artificial turf field that is being constructed as part of the project. This funding was included in the 2011-2015 General Fund Forecast, which was released on February 26, 2010.

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	2010-2011 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$2,070,900			
Current Funding Available							
380	7153	Watson Park Phase II Development	162573	\$404,000	\$404,000	V-363	10/19/2010, Ord. No. 28829
375	7153	Watson Park Phase II Development	162573	\$1,251,000	\$1,251,000	V-583	10/19/2010, Ord. No. 28829
Total Current Funding Available				\$1,655,000			

Funding Adjustment Requested							
375	7153	Watson Park Phase II Development	162573	\$416,000*	\$47,000		
Total Funding Available				\$2,071,000	\$1,702,000		

* Included in this memorandum is a recommendation to increase the Watson Park Phase II Development allocation in the Subdivision Park Trust Fund, which has funding available within the nexus of this park. Funding will be reallocated from the Reserve: Future PDO/PIO Projects (appropriation totals \$22,421,465).

CEQA

CEQA: Mitigated Negative Declaration, PP 07-130, September 2008.

/s/

KATY ALLEN
 Director, Public Works Department

/s/

ALBERT BALAGSO
 Director of Parks, Recreation and
 Neighborhood Services



JENNIFER A. MAGUIRE
 Budget Director

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

MH:lr:jb
 Attachment
 Watson Ph. II award_v6