



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Albert Balagso
Katy Allen
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: 11/22/10

Approved

Date

11/26/10

COUNCIL DISTRICT: 3

SUBJECT: REPORT ON BIDS AND AWARD OF CONSTRUCTION CONTRACT AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE CONSTRUCTION TAX AND PROPERTY CONVEYANCE TAX FUND: PARKS PURPOSES COUNCIL DISTRICT 3 FOR O'DONNELL'S GARDENS PARK GAZEBO DESIGN BUILD PROJECT

RECOMMENDATION

- A. Report on bids and award of contract for the O'Donnell's Gardens Park Gazebo Design Build Project to the low bidder, Rodan Builders, Inc., in the amount of \$175,300 and approval of a contingency in the amount of \$18,000.
- B. Adoption of the following Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District 3 (Fund 380):
 1. Increase the appropriation to the Parks, Recreation and Neighborhood Services Department, for the O'Donnell's Garden Park project in the amount of \$165,000; and
 2. Decrease the Ending Fund Balance by \$165,000.

OUTCOME

Approval of this design-build construction project will allow for cost effective development of the O'Donnell's Gardens Park Gazebo for use by the community. Approval of the appropriation actions recommended in this memorandum will provide the additional funding necessary to award the project.

BACKGROUND

O'Donnell's Gardens Park is a 0.62 acre neighborhood park located on the southwest corner of Sixth and Williams Streets.

11/22/10

Subject: O'Donnell's Gardens Park Gazebo Design Build Project

Page 2

Existing park improvements were completed in 2005 and consisted of a tot lot, water feature, seating areas, pathways, perimeter fencing, park lighting, open lawn and a large concrete pad to serve as a base for a future gazebo. The fencing, lighting and formal landscaping designs are consistent with the surrounding neighborhood with mostly Victorian-style homes.

The park master planning process was completed in 2002. The plan gathered input from the community and identified the desire for a community-serving gazebo. Similar to the existing park improvements, the gazebo structure is to complement the neighboring homes.

Staff elected the use of a design-build process for project delivery as it provides a cost efficient means of securing the necessary structural and design expertise, and project delivery skills to deliver the gazebo. The process makes the selected contractor responsible for designing the structure to meet the community's aesthetic objective, securing the structural calculations and approvals, fabricating and installing the structure. Through this process, the Department of Public Works will carefully monitor and review the project milestones.

It is anticipated that the design process will begin in January 2011, and upon approval of the design plans, construction would follow in April 2011 with completion of the project in July 2011.

ANALYSIS

Bids were opened on October 7, 2010 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
ESR Construction, Inc. (San Jose, CA)	\$609,000	N/A	N/A
Rodan Builders, Inc. (Burlingame, CA)	\$175,300	N/A	N/A
Engineer's Estimate	*	---	---

* Due to the unique nature of this project, an Engineer's Estimate was not provided.

The bidding for this project was a two stage process. In the first stage, bidders were to submit preliminary designs that were similar in style to the images provided of ornamental metal Victorian gazebos. Three preliminary design submittals were received on September 14, 2010 and the design committee, made up of staff from Public Works and Parks, Recreation and Neighborhood Services Departments and a community member, approved one of them as it was the only one to meet the design requirements. Bidders were then asked to submit bids based on the approved preliminary design. Two of the three original bidders submitted bids as shown in the above table.

The low bid submitted by Rodan Builders, Inc. is considered acceptable for the work involved. As a quality control check on their design submittals, if the City is not satisfied with the results of the design submittal process, the City may terminate the contract and the total compensation

to be paid to the Contractor shall be \$2,000. The City's review will consider the aesthetic design, structural elements, and potential for a successful outcome.

Council policy provides for a standard contingency of ten percent on building projects.

EVALUATION AND FOLLOW-UP

No additional follow-up with the Council is 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 does not meet any of the criteria above; however, this item will be posted on the City's website for the December 14, 2010 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 builders' exchanges.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Finance, Council District 3 and the City Attorney's 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.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$175,300

Project Delivery	\$88,700
Construction	175,300
Contingency	<u>18,000</u>
TOTAL PROJECT COSTS	\$282,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT: \$175,300

Gazebo	\$169,000
Water Pollution Control Plan	3,000
Electrical	<u>3,300</u>
TOTAL COSTS	\$175,300

3. SOURCE OF FUNDING: 380 - Construction and Conveyance Tax Fund: CD 3

4. FISCAL IMPACT: Upon construction, maintenance of the gazebo is estimated to be \$3,000 annually beginning in 2011-2012. This funding was included in the Preliminary 2012-2016 General Fund Forecast, which was released on November 8, 2010. If the maintenance resources required for this facility are not forthcoming, the maintenance of this facility will be absorbed by the Department of Parks, Recreation and Neighborhood Services. There may be a corresponding drop in the maintenance level of other facilities, particularly in the immediate area, to accommodate the maintenance of these new improvements.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract 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	Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
<u>Remaining Project Costs</u>				\$282,000			
<u>Remaining Funding Available</u>							
380	7154	O'Donnell's Garden Park	165843	117,000	\$117,000	V - 357	10/19/10, Ord. No. 28829
Total Current Funding Available				117,000			
<u>Additional Funding Recommended</u>							
380	8999	Ending Fund Balance	N/A	165,000*	58,300	V - 359	10/19/10, Ord. No. 28829
Total Funding for Project				\$282,000	\$175,300		

*Included in this council memorandum is a recommendation to allocate \$165,000 from the Council District 3 Construction and Conveyance Tax Fund Ending Fund Balance (Ending Fund

HONORABLE MAYOR AND CITY COUNCIL

11/22/10

Subject: O'Donnell's Gardens Park Gazebo Design Build Project

Page 5

Balance appropriation totals \$707,893). This increase in funding will ensure sufficient funding is available to award the construction contract.

CEQA

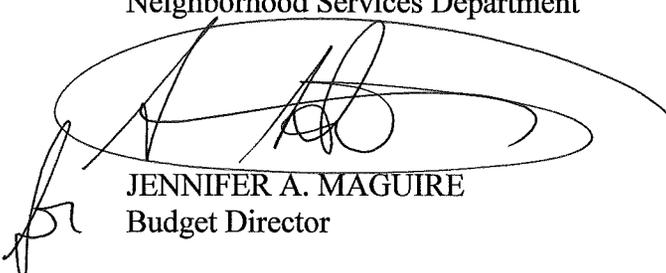
CEQA: Exempt, PP10-182

/s/

ALBERT BALAGSO
Director, Parks, Recreation &
Neighborhood Services Department

/s/

KATY ALLEN
Director, Public Works Department



JENNIFER A. MAGUIRE
Budget Director

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

MH:jp; hm