



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: COLEMAN SOCCER FIELDS
DESIGN BUILD PROJECT

DATE: 11-21-11

Approved

Date

11/30/11

RECOMMENDATION

Approve the rejection all bids received for the Coleman Soccer Fields Design Build Project.

OUTCOME

Rejection of all bids and re-bidding the Project will allow staff to revise the bid documents to better reflect the City's interests and needs for this Project.

EXECUTIVE SUMMARY

Following the bid opening, several bid protests were submitted focusing on the apparent low bidder's experience and its ability to provide synthetic turf meeting the bid requirements. Staff carefully evaluated the protests and the responses submitted by the apparent low bidder. Based on this evaluation and staff's independent analysis of the Project requirements related to contractor experience and synthetic turf, staff concluded that the Project specifications could be revised to better reflect the City's interests and needs for this Project.

Staff intends to revise the bid requirements and proceed with rebidding the Project before December 13, 2011. Staff anticipates bringing the results of the rebid to the City Council in early 2012. At the December 13, 2011 City Council meeting, staff is requesting the City Council to reject the original bids.

BACKGROUND

In 2005, the City of San José purchased the 74.8 acre property located at 1125 Coleman Avenue from FMC Corporation. The site is bordered by Coleman Avenue to the east, BAE Systems to the north, VTA and Pacific Railroad property to the west, and Newhall Street/Lowes to the south

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(map attached). The property is now known as the Airport West property. The long-term intent of the purchase was to develop the entire site for economic development purposes to support job and revenue generation and provide a future BART regional maintenance facility. Since the property was purchased, BART has changed their operations plan which made the area available for the proposed Parks Bond funded soccer field complex.

Other uses proposed for the site include the existing San Jose Earthquakes Practice Field, the proposed Earthquakes Stadium, in addition to four full-size soccer fields, office buildings and other commercial development to be built by a private company.

City staff has developed the Coleman Soccer Fields Design Build Project to include a program of four soccer fields, 54-car parking lot, concession/changing room building and associated improvements. The Design Build Project bid includes the following scope of work: design development and production of construction documents and subsequent construction of the soccer field project to include site demolition and preparation, grading and drainage, installation of four artificial turf soccer fields with night-use lighting and amenities, concession/restroom/changing room multi-service building, parking lot, fencing and gates, frontage road improvements, a temporary access road from Coleman Avenue, irrigation and planting. In addition, the decorative metal fence adjacent to the frontage road will incorporate the public art element. Undergrounding of the existing overhead PG&E electrical lines, currently located along the west fence line, will be incorporated into the new frontage road.

It is anticipated that the design build project for the four soccer fields will begin in February 2012 with construction completed in July 2013. The project is proposed to be operated and maintained by a private contractor and a Request for Proposals for an operator of the soccer facility was issued by the Parks, Recreation and Neighborhood Services Department. The operator will have the opportunity to provide input during the design process.

In addition to the base bid scope of work, there are two Add Alternate bid items as follows:
Add Alternate No. 1: Expansion of the half street improvements to a full street improvement to include curb, gutter, temporary sidewalk, street lighting, drain inlets and associated utilities. Included in this additive alternate is a deduction for the removal of temporary half street improvements.

Add Alternate No. 2: Extend the full street improvements as described in Additive Alternate No.1 to the corner of the existing Newhall Drive. Included in this additive alternate is a deduction of a cul-de-sac.

Council policy provides for a standard contingency of five (5) percent for public works park projects. There is a separate pay item to address the potential of encountering unknown hazardous soils on the site and to mitigate such conditions according to a Soil Management Plan approved by the California Department of Toxic Substance Control. Every effort has been made to anticipate this potential within the project schedule and budget.

ANALYSIS

Bids were opened on October 6, 2011, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alts 1 & 2</u>	<u>Total Bid</u>	<u>Variance Amount w/ Add Alts</u>	<u>Over/ (Under) Percent w/ Add Alts</u>
Interstate Grading and Paving Inc. (South San Francisco)	\$11,831,000	\$715,000	\$12,546,000	(\$2,204,000)	-15%
Robert A. Bothman, Inc. (San José)	11,826,700	916,000	12,742,700	(2,007,300)	-14%
Roebbelen (El Dorado Hills)	12,265,166	950,154	13,215,320	(1,534,680)	-10%
DevCon Construction Inc. (Milpitas)	12,597,091	1,067,000	13,664,091	(1,085,909)	-7%
O.C. Jones + Sons, Inc. (Berkeley)	12,868,000	1,190,000	14,058,000	(692,000)	-5%
Echo Pacific Construction (Escondido)	14,010,488	1,074,977	15,085,465	335,465	3%
Pavex Construction (San José)	15,011,622	1,409,440	16,421,062	1,671,062	11%
Engineer's Estimate	13,400,000	1,350,000	14,750,000	--	--

Following the bid opening, the apparent second low bidder, Robert A. Bothman, submitted a bid protest asserting that the apparent low bidder, Interstate Grading and Paving, and its synthetic turf installation subcontractor did not meet the experience requirements in the specifications. Field Turf and Domo Sports Grass also submitted protests asserting that the synthetic turf supplier identified by Interstate Grading and Paving would not be able to provide synthetic turf meeting the Project specifications. Interstate Grading and Paving submitted responses to the various protests.

Staff has carefully reviewed the various protests and responses, and has conducted an independent analysis of the Project requirements related to contractor experience and synthetic turf. Staff's evaluation included the fact that this is a significant project cost and that the Project could still be completed easily within an acceptable timeline if the Project were rebid. Based on

these considerations, staff has concluded that the Project specifications should be revised to better reflect the City's interests and needs, and that the Project should be rebid.

Staff intends to proceed with rebidding the Project before the December 13, 2011, Council meeting. Before rebidding the Project, staff intends to make two significant changes to the Project requirements. One of the changes involves the synthetic turf that the contractor will use. The synthetic turf is important to the success of the Project because of the large amount of synthetic turf to be installed and the fact that it makes up a significant portion of the total project cost. Typically, checking a product or material for compliance with a project's requirements occurs during the submittal process well after the award of the construction contract.

For this Project, the requirements were changed so that bidders will need to request approval of any "or equal" for the listed synthetic turf *before* bids are submitted. This has two advantages. It allows the City to evaluate synthetic turf products proposed by bidders that are available at the lowest cost while meeting product specifications. It also avoids any dispute during submittals over which synthetic turf can be used and whether the turf meets the Project requirements.

The other significant change staff will make is to the experience requirements regarding turf installation. The original specifications stated that the prime contractor *or* the subcontractor must meet the experience requirement, and a change will be made to clarify the intent of the specification and explain it further to interested bidders.

The City has the right to reject any and all bids in its sole discretion. For the reasons stated above, staff recommends that Council reject all bids. In an effort to advertise the contract prior to the end of the calendar year 2011, staff presently plans to re-advertise the project prior to Council approval of this recommendation to reject all bids. If the Council rejects all bids, staff plans on bringing the results of the re-bid forward to Council during early 2012. If Council does not reject all bids, staff will re-evaluate the original bid results in the context of bid protests, the original specifications and the intended project outcomes and make the best recommendation to Council based on the facts on record.

EVALUATION AND FOLLOW-UP

Report on new bids and recommendation to Council for future award.

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)**

To solicit contractors, this project was listed on BidSync and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

This memorandum will be posted on the City's website for the December 13, 2011 Council agenda.

COORDINATION

This proposed project and memorandum have been coordinated with the Departments of Parks, Recreation and Neighborhood Services, Planning, Building and Code Enforcement, Environmental Services, the State Department of Toxic Substances Control, the City Attorney's Office, the City Manager's Budget Office, the Office of Economic Development, and the Cultural Affairs/Public Art Office.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: None
2. COST OF PROJECT:

Project Delivery *	\$1,130,000
Construction – base with no add/alternates	\$13,400,000
Contingency	<u>\$1,340,000</u>
TOTAL PROJECT COSTS	\$15,870,000
Prior Year Expenditures	579,640
REMAINING PROJECT COSTS	\$15,290,360

* Project delivery includes preparation of the design build package, initial geotech report, project management, inspection, and construction management, consultant fees including preparation of the mitigated negative declaration, construction monitoring and coordination with DTSC, and pre-construction wildlife surveys.

3. SOURCE OF FUNDING: 471 – Parks and Recreation Bond Projects Fund

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the 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	2011-2012 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$15,290,360 *			
Current Funding Available							
471	6841	Soccer Complex	161685	\$227,000	N/A	V-518	6/21/11 Ord. No. 28928
Additional Funding Recommended							
471	8129	Reserve: Soccer Complex	N/A	\$14,483,000	N/A	V-523	6/21/11 Ord. No. 28928
Total Project Funding				\$14,710,000	N/A		

*Additional funding sources will be identified from the Parks and Recreation Bond Projects Fund should additional funding be necessary to award the project.

CEQA

CEQA: Mitigated Negative Declaration, PP10-155, May 10, 2011.

/s/
 DAVID SYKES
 Director of Public Works

For questions please Contact Harry Freitas, Deputy Director, 408-535-8300.

Attachment

