



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** David Sykes  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** May 29, 2012

Approved

Date

6/5/12

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE COLEMAN SOCCER FIELDS DESIGN BUILD REBID PROJECT AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE PARKS AND RECREATION BOND PROJECTS FUND FOR THE SOCCER COMPLEX PROJECT**

## RECOMMENDATION

- a. Subject to approval of items 5.2 and 5.3, report on bids and award of contract for the Coleman Soccer Fields Design Build Project Rebid to the low bidder, Interstate Grading and Paving, Inc., for the base bid and Add Alternate No. 1 in the amount of \$11,873,000, and approval of a contingency in the amount of \$1,187,300.
- b. Adoption of the following Appropriation Ordinance amendments in the Parks and Recreation Bond Projects Fund (Fund 471) in 2012-2013;
  1. Increase the Soccer Complex appropriation in the Parks, Recreation and Neighborhood Services Department in the amount of \$14,270,310;
  2. Increase the Contingency Reserve: Parks and Recreation Bond Projects in the amount of \$212,690; and
  3. Eliminate the Reserve: Soccer Complex appropriation by \$14,483,000.

## OUTCOME

Approval of this contract to Interstate Grading and Paving, Inc., will allow the Coleman Soccer Fields Design Build Project Rebid to be built and occupied for use by the community by February 2014. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

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## **BACKGROUND**

In 2000, the voters of San José passed the San José Safe Neighborhood Parks and Recreation Bond with over 78 percent of the vote with the following language:

*To improve San Jose's neighborhoods parks' safety and expand recreation opportunities for children, families and seniors by: installing lighting, reconstructing deteriorating playgrounds and restrooms; reserving open space; constructing trails; constructing new recreational sports facilities; improving community and senior centers; and constructing improvements to regional parks like Happy Hollow, shall the City issue \$228,030,000 in bonds, at the best rates possible, with guaranteed annual audits, a citizen's oversight committee and no money for parks administrators' salaries.*

To date, the City has completed 95 of the 97 projects which have been funded as part of the Parks Bond. This includes:

- 73 neighborhood park renovation projects;
- 9 community center renovations and reconstructions;
- 7 regional park renovations, including the reconstruction of Happy Hollow Park & Zoo;
- 6 trail projects totaling 2.5 miles of new City trails.

The two remaining projects to be constructed are the sports facilities: one for soccer and one for softball. This City Council action allows the City to proceed with the soccer facility construction. A recommendation for construction of the softball facility will be brought forward to the City Council at a later time.

The Coleman Soccer Complex is proposed to be located at the Airport West site on Coleman Avenue (see attached map). The details of the City's acquisition of the land for development of the soccer fields, and the operations and maintenance agreement with the Earthquakes are specified in two separate memoranda on this City Council agenda. These separate actions related to the Airport West site are required prior to the approval of this contract as they affect the location, funding of the operations, and maintenance of the facility.

The soccer field complex is located on a former manufacturing property that stored and used a variety of hazardous materials. As a result, the property has undergone extensive investigations, remediation and health risk assessments under the regulatory oversight of the State Department of Toxic Substances Control (DTSC). The City completed a Soil Management Plan in April 2011 to address future site development including the soccer field complex. The plan, which was approved by the DTSC, includes oversight during construction and mitigation measures such as capping the soccer fields with hardscape or clean soil to further ensure the development is safe for the public.

After receiving and reviewing the initial Coleman Soccer Fields Design Build Project bids on October 6, 2011, staff concluded that the Project specifications should be revised to better reflect

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the City's interests and needs for the Project. Accordingly, staff recommended that the City Council reject all bids, revise the project specifications and rebid the Project. On December 13, 2011, City Council approved rejection of all prior bids. A rebid package was released on December 21, 2011, and was advertised for 51 days.

The base bid scope of work for the Project consists of the following:

- Design development and production of construction documents
- 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
- Construction of concession/restroom and changing room multi-service building
- Construction of a 54 car parking lot, fencing and gates
- Frontage road improvements, including a temporary access road from Coleman Avenue
- Irrigation and planting
- The decorative metal fence adjacent to the frontage road which will incorporate a 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
- Removal of hazardous soils as necessary.

In addition to the base bid scope of work, there are two add alternate bid items as follows:

Description

Add Alternate No. 1: Increase from half to full street improvements

Add Alternate No. 2: Extend full street improvements to Newhall Drive

It is anticipated that the design build project for the four soccer fields will begin in July 2012 with construction completed in February 2014. The operator will have the opportunity to provide input during the design process.

**ANALYSIS**

Bids were opened on February 9, 2012, 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>
<b>Engineers Estimate</b>	<b>\$13,400,000</b>	<b>\$550,000</b>	<b>\$13,950,000</b>	--	--
Pavex Construction (San José)	12,861,162	413,868	13,275,030	(674,970)	(5)

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Top Grade Const. (Livermore)	12,998,885	285,000	13,283,885	(666,115)	(5)
Roebbelen (El Dorado Hills)	12,236,085	345,411	12,581,496	(1,368,504)	(10)
Robert A. Bothman (San José)	12,157,000	299,500	12,456,500	(1,493,500)	(11)
Interstate Grading and Paving (S. San Francisco)	11,713,000	160,000	11,873,000	(2,077,000)	(15)

The low bid submitted by Interstate Grading and Paving, Inc., in the amount of \$11,873,000 is 15 percent under the Engineer's Estimate. Further evaluation showed that the Engineer's Estimate for grading, paving and artificial turf was conservative. Interstate Grading and Paving, Inc. was the apparent low bidder on the previous bid. The rebid is \$118,000 lower than Interstate's first base bid.

Subsequent to the bid opening and in consultation with Parks, Recreation and Neighborhood Services, Add Alternate No. 1 is recommended for award. The benefit of Add Alternate No. 1 is that it would provide the necessary parking for the soccer fields with parallel parking on both sides of the street. Staff evaluated the benefits of Add Alternate No. 2 and, based on the cost of \$350,000, it is not being recommended, as the roadway extension is not absolutely necessary to proceed with the project.

Based upon the above information, staff recommends awarding the project to Interstate Grading and Paving, Inc. This Project is approximately 55 percent grading, earthwork and paving. Interstate is well suited to perform as the prime contractor. Their qualifications and references were verified by City staff at the time of the original bid process.

Council policy does not provide for a standard contingency for design build projects. Due to various unknown underground conditions that may be encountered on this project, a ten percent contingency is recommended to provide funding for any unanticipated work necessary for the proper completion or construction of the project. There are sufficient funds to provide the recommended contingency.

Included in this memorandum is a recommendation to eliminate the Soccer Complex Reserve appropriation (\$14,483,000) and shift a majority of the funding to the Soccer Complex appropriation (\$14,270,310) to ensure sufficient funding is available to award the construction contract. Since the construction bids for this project were lower than anticipated, the reserve exceeds the anticipated need for the Soccer Complex. Therefore, this memorandum also includes a recommendation to allocate a small portion of funding from the Soccer Complex Reserve to the Parks and Recreation Bond Projects Contingency Reserve (\$212,690). This funding will be available (if needed) for the Softball Complex, the only remaining project that has not been completed in the Parks and Recreation Bond Projects Fund.

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### **EVALUATION AND FOLLOW-UP**

This project is currently within budget and on schedule. No additional follow up action with the City 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 Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. 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 are provided to various contractor organizations and builder's exchanges.

This memorandum will be posted on the City's website for the June 19, 2012 City Council agenda.

### **COORDINATION**

This proposed project and memorandum have been coordinated with the Departments of Parks, Recreation and Neighborhood Services, the Office of Economic Development, Planning, Building and Code Enforcement, Environmental Services, the State Department of Toxic Substances Control, the City Attorney's Office and the Cultural Affairs/Public Art 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: \$11,873,000

Project Delivery *	\$2,016,650
Construction	\$11,873,000
Contingency	<u>\$1,187,300</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$15,076,950</b>
<b>Prior Year Expenditures</b>	<b><u>(\$579,640)</u></b>
<b>REMAINING PROJECT COSTS</b>	<b>\$14,497,310</b>

\* Project Delivery includes preparation of the design build package, initial geotechnical report, project management, inspection, construction management, consultant fees (including preparation of the mitigated negative declaration), construction monitoring, coordination with DTSC, adjusting the monitoring wells on-site, Partnering and Dispute Resolution Board.

2. COST ELEMENT OF CONSTRUCTION CONTRACT:

Design	\$600,000
Various Standard Construction Allowances	1,780,000
Mobilization, Demolition, Site Preparation	1,267,000
Grading, Drainage and Utilities	1,140,000
Fencing, Sports Equipment	400,000
Asphalt and Concrete Paving	600,000
Electrical	1,900,000
Irrigation, Planting, Artificial Turf	2,400,000
Building	1,300,000
Operations, Maintenance, Miscellaneous	326,000
Add Alternate I	<u>160,000</u>
<b>Total Construction Contract Amount</b>	<b>\$11,873,000</b>

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

4. OPERATING COST: The estimated operating and maintenance impact associated with this project is addressed in a separate memorandum that is agendized to be reviewed by the City Council on June 19, 2012. This facility is proposed to be operated and maintained by the San José Earthquakes organization.

**BUDGET REFERENCE**

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

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Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2011-2012 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				\$14,497,310			
<b>Current Funding Available</b>							
471	6841	Soccer Complex	161685	\$227,000	\$227,000	V-569	6/21/11 Ord. No. 28928
<b>Additional Funding Recommended*</b>							
471	8129	Reserve: Soccer Complex	N/A	\$14,270,310*	\$11,646,000	V-573	6/21/11 Ord. No. 28928
<b>Total Project Funding</b>				<b>\$14,497,310</b>	<b>\$11,873,000</b>		

\*Included in this memorandum is a recommendation to shift \$14,270,310 from the Reserve: Soccer Complex allocation to the Soccer Complex appropriation to ensure sufficient funding is available to award the construction contract award. The Reserve: Soccer Complex allocation has a total of \$14,483,000 budgeted; however, since the construction bids were lower than estimated, this memorandum also recommends reallocating the remaining \$212,690 in the reserve to the Parks and Recreation Bond Projects Contingency Reserve. This funding will then be available for the Softball Complex, which is the only remaining bond project.

**CEQA**

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

/s/  
DAVID SYKES  
Director of Public Works

  
JENNIFER A. MAGUIRE  
Budget Director

For questions please contact Harry Freitas, Assistant Director, Public Works Department, at 408-535-8300.

Attachments  
Coleman Soccer Fields Design Build Project REBID