



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Albert Balagso  
Jennifer A. Maguire  
Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 10-06-08

Approved

*Deanna Pina*

Date

*10/15/08*

**COUNCIL DISTRICT:** 6

**SUBJECT: REPORT ON BIDS AND AWARD OF A CONTRACT FOR THE WILLOWS SENIOR CENTER FIRE DAMAGE REPAIR PROJECT AND ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE GENERAL FUND FOR THE WILLOWS SENIOR CENTER FIRE DAMAGE PROJECT**

## RECOMMENDATION

- a. Report on bids and award of contract for the construction of the Willows Senior Center Fire Damage Repair Project to the low bidder, Quality Plus Construction, Inc., for the base bid and Add Alternate No. 1 in the amount of \$352,460, and approval of a contingency in the amount of \$52,869.
- b. Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
  1. Increase the Other Revenue estimate in the General Fund by \$730,449;
  2. Establish a Capital Projects appropriation to the Department of Parks, Recreation and Neighborhood Services for the Willows Senior Center Fire Damage project in the amount of \$618,380;
  3. Increase the Contingency Reserve by \$112,069.

## OUTCOME

Approval of the construction contract to Quality Plus Construction, Inc. will allow the Willows Senior Center Fire Damage Repair project to move forward into construction phase. Approval of the contingency will provide funding for any unanticipated work necessary for the completion of the project.

**BACKGROUND**

On the morning of July 14, 2007, an electrical fire at the Willows Senior Center caused major fire damage to the Senior Center kitchen and minor damage to the multi-purpose room/dining area. The damage to the kitchen included walls, ceiling, and all kitchen equipment and appliances. The multi-purpose room has been repaired and was re-opened on November 2007, but the kitchen, due to unsafe conditions, remains closed at this time. While the kitchen is closed, staff is providing catered food for the senior nutrition program.

In August 2007, staff hired an engineering consultant, Kitchell CEM to assess the structural, electrical, and mechanical damage caused by the fire to the kitchen building. The assessment report analyzed the extent of the fire damage and provided recommendations on the necessary repair and renovations to get the kitchen back in service. In general, the report indicated that all kitchen equipment was damaged and has to be replaced; the walls, ceiling and floor have to be reconstructed; and new electrical and mechanical systems have to be provided. In January 2008, staff hired an architectural consultant, Ackerman Practicon to prepare the construction drawings for the restoration of the fire damaged kitchen and assist staff in administering the renovation of the project. Ackerman Practicon prepared contract documents in accordance with the assessment report provided by Kitchell CEM.

To ensure timely reimbursement of repair costs, staff worked with the representative of the insurance company on a regular basis, from the time of evaluation of the extent of the fire damage to the time that the construction plans were being developed and bids were solicited for construction.

**ANALYSIS**

Bids were opened on September 4, 2008 with the following results:

<u>Contractors</u>	<u>Base Bid</u>	<u>Add Alt.</u> <u>No.1</u>	<u>Total Bid</u>	<u>Variance</u> <u>Amount</u>	<u>Over/(Under)</u> <u>Percent</u>
ESR Construction. (San José)	\$598,200	37,500	\$635,700	\$175,700	38
Ionian Construction, Inc. (Millbrae)	576,000	20,000	596,000	136,000	30
Hinds/Lowery-JV (Santa Clara)	557,400	10,000	567,400	107,400	23
Sanchez, Inc. (Hollister)	522,000	29,130	551,130	91,130	20
John Plane Construction, Inc. (Brisbane)	489,000	13,500	502,500	42,500	9
Frank Surian & Sons, Inc. (Gilroy)	445,937	19,305	475,242	15,242	3
<b>Engineer's Estimate</b>	<b>460,000</b>	-	<b>460,000</b>	-	

10-06-08

**Subject: Willows Senior Center Fire Damage Repair Project**

Page 3

Guru Electric and General (San José)	440,591	16,000	456,591	(3,409)	(0.7)
DBS Construction, Inc. (Pleasanton)	431,055	23,748	454,803	(5,197)	(1)
Bp-Pak, Inc. (Santa Clara)	388,042	65,222	453,264	(6,736)	(1)
F.D. Ouellette & Sons, Inc. (San José)	394,210	23,396	417,606	(42,394)	(9)
S & H Construction, Inc. (Fremont)	405,000	12,500	417,500	(42,500)	(9)
Tucker Construction, Inc. (San José)	392,3000	15,780	408,080	(51,192)	(11)
BCI Builders, Inc. (Scotts Valley)	399,500	6,000	405,500	(54,500)	(12)
BCI General Contractor, Inc. (Tracy)	368,000	16,000	384,000	(76,000)	(17)
Quality Plus Construction, Inc. (Fremont)	334,460	18,000	352,460	(107,540)	(23)

In addition to the base bid scope of work there is one Add Alternate bid item as follows:

Add Alternate No. 1: New epoxy flooring in kitchen area.

Fifteen bids were received for the project of which nine were below the Engineer's Estimate. The low bid was submitted by Quality Plus Construction, Inc. and is 23% below the Engineer's Estimate for the base project and Add Alternate. Staff recommends award of the contract including Add Alternate No.1 to Quality Plus Construction, Inc.

Council Policy provides for a standard contingency of 15 percent on public works renovation projects. The standard contingency is appropriate for this project.

As shown in the Cost Summary/Implications section below, the total cost to repair the fire damage to the Willows Senior Center is estimated to be \$830,449. Of this total, the insurance company will reimburse the City for eligible project expenses in the amount of \$730,449, the total project cost minus the insurance deductible of \$100,000. The Unanticipated Critical Repairs project in the Parks Central Fund Construction and Conveyance Tax Fund provided the insurance deductible of \$100,000 in FY 2007-2008.

The City has expended \$212,069 for the project in prior fiscal years leaving a total need of \$618,380 in 2008-2009. Included in this memorandum is a recommendation to provide the \$618,380 from the General Fund. Also recommended is to increase the Contingency Reserve by \$112,069, to reimburse the General Fund for expenses associated with the project that were incurred in prior years.

### EVALUATION AND FOLLOW-UP

Approval of this recommendation will enable the project to move forward into the construction phase. Construction of the project is anticipated to begin in December 2008 and to be completed in May 2009. No further Council follow-up is anticipated.

### 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, however this memorandum will be posted on the City's website for the October 28, 2008 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 notifications for all Department of Public Works construction projects are routinely provided to a standard list of various contractor organizations, builder's exchanges.

### COORDINATION

This memorandum has been coordinated with Department of Planning, Building and Code Enforcement 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: <b>\$ 352,460</b>	
Project Delivery	\$299,000
Construction	352,460
Cleanup and Repairs	106,120
Contingency (15%)	52,869
Fixtures, Furnishings & Equipment	20,000

<b>TOTAL PROJECT COSTS</b>	<b>\$830,449</b>
Prior Year Expenditures	(\$212,069)
<b>REMAINING PROJECT COSTS</b>	<b>\$618,380</b>

2. COST ELEMENTS OF THE CONSTRUCTION CONTRACT
3. SOURCE OF FUNDING: 001 – General Fund, Capital Improvements  
 390 – Construction Tax and Property Conveyance Tax  
 Fund: Parks Purposes Central Fund
4. OPERATING COSTS: 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**

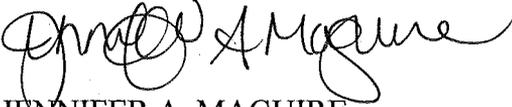
The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2008-2009 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$ 618,380</b>			
<b>Recommended Budget Actions</b>							
001	6591	Willows Senior Center Fire Damage		618,380	352,460	N/A	
<b>Total Project Funding</b>				<b>\$618,380</b>	<b>\$352,460</b>		

**CEQA**

CEQA: Exempt, PP08-138.

  
 ALBERT BALAGSO  
 Director of Parks, Recreation and  
 Neighborhood Services Department

  
 JENNIFER A. MAGUIRE  
 Budget Director

HONORABLE MAYOR AND CITY COUNCIL

10-06-08

**Subject: Willows Senior Center Fire Damage Repair Project**

Page 6

Handwritten signature of Katy Allen in black ink, appearing as 'D. D. Sykes for'.

KATY ALLEN

Director, Public Works Department

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2008-09 money in excess of those heretofore appropriated therefrom, said excess being at least \$730,449.

Handwritten signature of Jennifer A. Maguire in black ink.

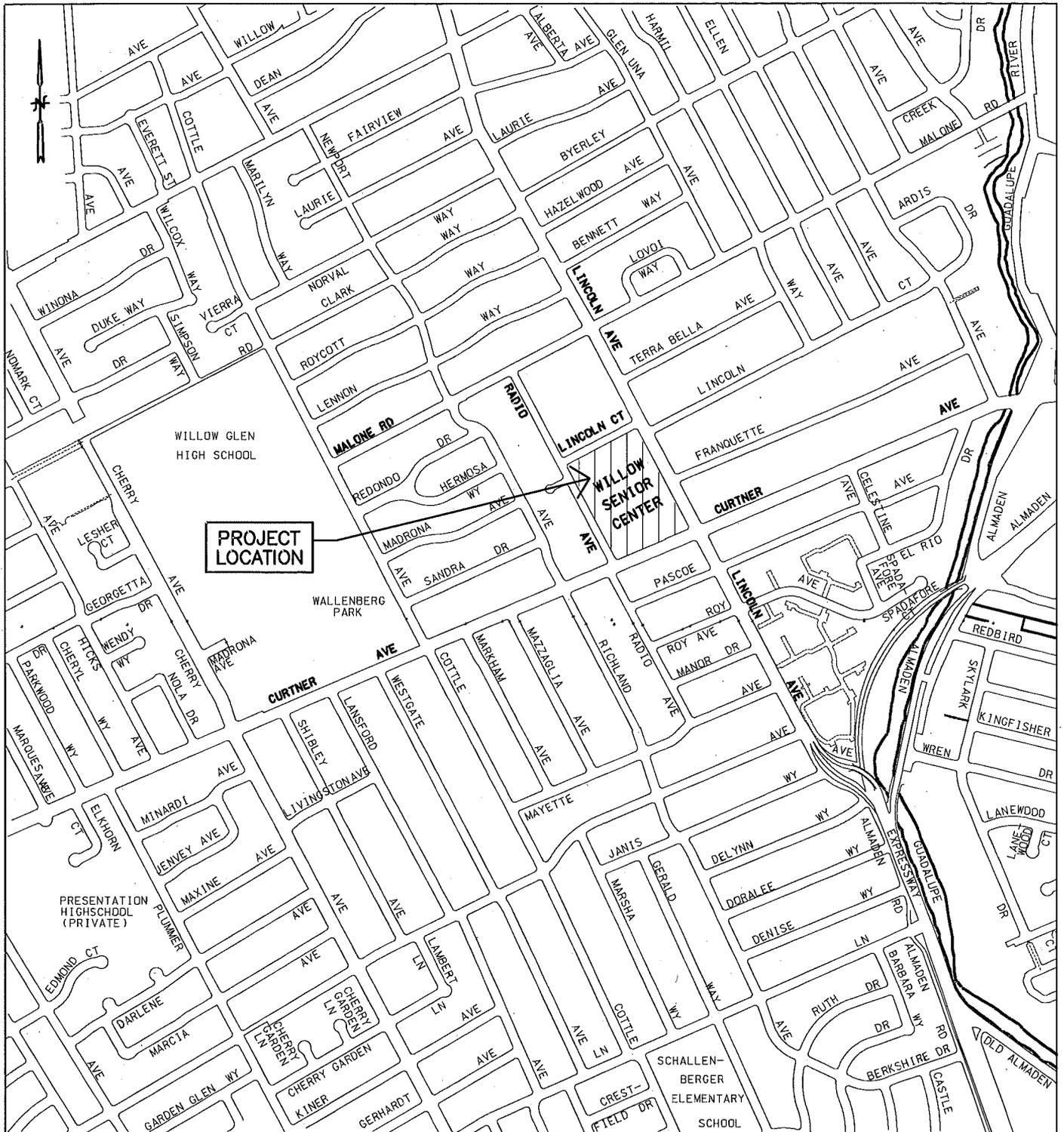
JENNIFER A. MAGUIRE

Budget Director

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

KJ:pm:dp

Attachments:  
Vicinity Map



**WILLOWS SENIOR CENTER**  
**LOCATION MAP**  
 N.T.S.