



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
John Ristow

SUBJECT: See Below

DATE: April 1, 2025

Approved

Date

4/10/24

COUNCIL DISTRICT: 3

SUBJECT: Report on Bids and Award of Contract for the 10211 – Balbach Park Transportation Improvement Project

RECOMMENDATION

- (a) Report on bids and award of contract for the construction of 10211 – Balbach Park Transportation Improvement Project to the lowest responsive, responsible bidder, Redgwick Construction Company, in the amount of \$1,666,232; and
- (b) Approve a 10% contingency in the amount of \$166,623.

SUMMARY AND OUTCOME

Award of the contract to Redgwick Construction Company enables the construction of the 10211 – Balbach Park Transportation Improvement Project (Project), which will provide enhanced bikeways, pedestrian crossings, and urban greening within a one-mile radius of the housing development at 226 Balbach Street. Approval of the 10% contingency will provide funding for unanticipated work that may be necessary for the proper completion of the Project.

BACKGROUND

The Affordable Housing Sustainable Communities program provides loans to construct affordable housing and grant funds to build greenhouse gas reducing infrastructure that supports transit, bicycling, and walking. The Housing Department and Transportation Department jointly submitted the Balbach application for consideration of grant award. The City was awarded \$5,970,438 in grant funds from the Affordable Housing and Sustainable Communities Grant program to implement transportation related

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improvements within one mile of the development at 226 Balbach Street and for the Valley Transportation Authority to procure two clean-air electric buses. The Project is located along multiple streets and intersections near the development, including Woz Way and Almaden Boulevard, the intersection of Market Street and William Street, and the intersection of Reed Street and First Street (**Attachment A** – Project Location Map-10211 Balbach Park Transportation Improvement). The scope of work will include the installation of concrete island separators and wayfinding signs for bicycle traffic, new striping improvements, pedestrian lighting improvements, pedestrian flashing beacon upgrades, urban greening improvements, and a new traffic signal system. These changes will support greater traffic safety and sustainability. The City will coordinate with the Valley Transportation Authority to transfer the allocated \$2,000,000 funding for the procurement of the clean-air electric buses at a later date.

Construction is scheduled to begin in July 2025 with substantial completion in December 2025.

ANALYSIS

Bids were opened on February 20, 2025, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Redgwick Construction Company (Oakland)	\$1,666,232	(\$396,183)	(19)
Guerra Construction Group (Santa Clara)	\$1,859,976	(\$202,439)	(10)
Wattis Construction Company, Inc. (San José)	\$2,040,022	(\$22,393)	(1)
Engineer's Estimate	\$2,062,415	--	--
Golden Bay Construction, Inc. (Hayward)	\$2,094,544	\$32,129	2
FBD Vanguard Construction, Inc. (Livermore)	\$2,185,761	\$123,346	6

On February 24, 2025, the City issued the Notice of Intent to Award the contract to Redgwick Construction Company. No protest was received during the five-day protest period.

Bid Price Analysis

The low bid submitted by Redgwick Construction Company is 19% under the Engineer's Estimate. Potential reasons for the lower bid include the competitive nature within the construction industry, the contractor's familiarity with the type of work in this Project, or a combination of these reasons. Staff will continue to monitor issues influencing construction costs and for consideration on future projects. Staff considers the low bid to be acceptable for the work involved.

Contractor Responsibility Analysis

Redgwick Construction Company has successfully completed multiple projects for the City of San José and other local agencies, including the 8728 – Alum Rock Park Service Road Slide Repair Project, which was accepted in October 2024, and the Monument Boulevard Class I Path Project, which was accepted in August 2023.

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all public works contracts except those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this Project.

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on February 20, 2025, and again on February 24, 2025. No wage theft issues were identified.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is higher than \$1.21 million.

Local and Small Business Analysis

The recommended contractor is not a local or a small business enterprise. One local business enterprise is listed as a subcontractor. Jalos Construction, Inc. (San José) will be performing concrete work valued at approximately \$280,000.

EVALUATION AND FOLLOW-UP

No additional follow up action with the City Council is expected at this time.

COST SUMMARY/IMPLICATIONS

The proposed operating and maintenance costs of this Project have been reviewed and it has been determined that the Project will have no significant adverse impact on the Building and Structure Construction Tax Fund or General Fund operating budgets. This Project is consistent with the City Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in local economy.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$ 1,548,989
Construction	1,666,232
Contingency	166,623
TOTAL PROJECT COSTS	\$ 3,381,844
Prior Years' Expenditures	852,881
TOTAL REMAINING PROJECT COSTS	\$ 2,528,963

*Project delivery includes \$897,655 for planning and design services and \$651,334 for inspection, survey, materials lab services, utilities, construction management, and project closeout costs.

2. COST ELEMENTS OF CONTRACT AS RECOMMENDED AS PART OF THE MEMORANDUM:

Traffic Control, Permitting,	\$ 60,000
Concrete, Paving, Signing, Striping, and Demolition	659,332
Traffic Signal and Streetlighting	787,850
Landscaping	67,350
Other Construction Costs	91,700
TOTAL CONTRACT AMOUNT	\$ 1,666,232

BUDGET REFERENCE

The table below identifies the fund and appropriations 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. #	Appropriation Name	Total Appropriation	Amount for Contract	2024-2025 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
429	417V	Balbach Street Transportation Improvements	\$5,382,000	\$1,666,232	898	10/22/2024, Ord. No. 31133

COORDINATION

This memorandum and related documents have been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the April 22, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Categorically Exempt, File No. ER23-009, CEQA Guidelines Sections 15301, Existing Facilities.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
MATT LOESCH
Director of Public Works

/s/
JOHN RISTOW
Director of Transportation

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For questions, please contact Mathew Nguyen, Deputy Director of Public Works, at mathew.nguyen@sanjoseca.gov or (408) 535-8300.

ATTACHMENT

Project Location Map -10211 Balbach Park Transportation Improvement

