



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Jon Cicirelli
Jim Shannon

SUBJECT: SEE BELOW

DATE: January 11, 2022

Approved

Date

01/14/22

COUNCIL DISTRICT: 3

**SUBJECT: ACTIONS RELATED TO THE 9112 – ALL INCLUSIVE ROTARY
PLAYGARDEN PROJECT**

RECOMMENDATION

- (a) Report on bids and award of construction contract for the 9112 – All Inclusive Rotary PlayGarden Project to the low bidder, Redwood Engineering Construction, Inc., for the base bid in the amount of \$1,698,000 and approve a ten percent contingency in the amount of \$169,800.
- (b) Adopt the following Appropriation Ordinance amendments in the Construction and Conveyance Tax City-wide Parks Purposes Fund:
 - (1) Establish the All Inclusive Rotary PlayGarden Project appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$816,000; and
 - (2) Decrease the Matching Grant Reimbursement Reserve by \$816,000.

OUTCOME

Approval of the construction contract to Redwood Engineering Construction, Inc. will enable the All-Inclusive Rotary PlayGarden Project to proceed. Approval of a ten (10) percent contingency will provide funding for any unanticipated work necessary for the proper construction of the project. The completed project will expand the existing 2.4-acre Rotary PlayGarden playground by 2 acres to offer all-inclusive play features for children of all ages and abilities.

BACKGROUND

Rotary PlayGarden is located immediately west of the Guadalupe River Park Conservancy Offices and Visitor Center at 438 Coleman Avenue, a few blocks northwest of downtown San José. This expansion will qualify the park to be renamed as All-Inclusive Rotary PlayGarden Park and shall meet the definition of an All-Inclusive Playground (AIPG) as defined by Santa Clara County. This AIPG will be designed to develop essential physical, social, and cognitive skills, encourage independent physical access, and provide equal use of integrated environments for all children and families of all abilities.

All-inclusive features include a welcoming secure environment, solitary or semi-solitary retreat areas, imaginative play opportunities and play activities that are grouped into “rooms”. The expanded playground will have amenities that include:

- Willow Tree arbor,
- California Buckeye Tree-themed sensory play structure,
- Upside-down tree sensory play structure,
- Zip-line play structure,
Large canopy shade structure,
- Pyramid shade canopies (4),
- Vegetated sensory labyrinth maze,
- Swing play structure,
- Drought-tolerant sensory planting,
- Recycled water irrigation,
- Nature-themed play zone (Fallen logs, log seats)
- Adirondack chairs,
- Basalt stone pavers, and
- Stone seats and other site furnishings.

The plan set submitted for bids included four Bid Alternates outlined in the Analysis below. Bid Alternates present an opportunity for the City to include additional features in the awarded contract should the bids be lower than base project scope. Because the bids received were higher than the Engineer’s Estimate, City staff is not recommending award of any of the Bid Alternates.

Construction is scheduled to begin in March 2022, with completion in October 2022.

ANALYSIS

The Department of Public Works requested bids for the base bid work and four bid alternates as follows. Award of the base bids are not included in the recommendation as their cost exceeds available budget.

Bid Alternate No. 1: Third bay of Zipline and rubber surfacing

Bid Alternate No. 2: Cascatta Bell Chime play structure repair

Bid Alternate No. 3: Solar light and base

Bid Alternate No. 4: Child Log Seat

Bids were opened on October 7, 2021 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Bid Alt Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>% Over/ (Under) Total Bid Eng. Est.</u>
Engineer's Estimate	1,300,000	66,155	1,366,155	---	---
Redwood Engineering Construction, Inc. (Redwood City)	\$1,698,000	\$113,000	\$1,811,000	\$444,845	32.6
NBC Construction, Inc. (San Francisco)	1,895,960	63,642	1,959,602	593,447	43.4
Galeb Paving, Inc. (Saratoga)	1,951,665	74,200	2,025,865	659,710	48.3
Suarez & Munoz Construction, Inc. (Hayward)	2,071,000	126,292	2,197,292	831,137	60.8
Robert A. Bothman, Inc. (San Jose)	2,125,000	168,000	2,293,000	926,845	67.8

<u>Contractor</u>	<u>Bid Alt No. 1</u>	<u>Bid Alt No. 2</u>	<u>Bid Alt No. 3</u>	<u>Bid Alt No. 4</u>
Engineer's Estimate	\$34,466	\$9,113	\$20,326	\$2,250
Redwood Engineering Construction, Inc.	60,000	20,000	25,000	8,000
NBC Construction, Inc.	29,251	17,636	7,800	8,955
Galeb Paving, Inc.	42,100	8,600	15,000	8,500
Suarez & Munoz Construction, Inc.	63,172	30,120	25,000	8,000
Robert A. Bothman, Inc.	90,000	48,000	25,000	5,000

Section 1.01D - Bid Alternate of the Project's Special Provisions states "If there are Bid Alternates, the low bid will be determined by adding each of the Bid Alternate Bids to the Base Bid in ascending numerical sequence, until a total is reached to which no further Bid Alternate Bids may be added without exceeding \$1,300,000. The low bidder will be the bidder whose total amount calculated under the preceding sentence (1) includes the greatest number of Bid Alternates, or (2) offers an equal number of Bid Alternates for the lowest price. If the addition of the first Bid Alternate Bid to the Base Bid results in a figure greater than the above-stated dollar amount in the case of every responsive bidder, the low bid will be determined by the Base Bid alone. Once the low bidder has been identified in the preceding manner, the City may elect to award the Base Bid item alone or any or all Bid Alternate items in any sequence to that low

bidder, even if the resulting contract amount no longer represents the lowest total price for the particular items chosen.”

All five bidders had a base bid cost that exceeded the above-stated Engineer’s Estimate dollar amount of \$1,300,000. Therefore, the low bid was determined by Base Bid alone. The low base bid was submitted by Redwood Engineering Construction, Inc. Although their base bid was over the Engineer’s Estimate, staff considers this reasonable for the work involved in consideration of current market conditions and recommends awarding the base bid work only to Redwood Engineering Construction, Inc. Staff is not recommending the inclusion of any of the Bid Alternate items due to funding limitations and nonessential scope of the Bid Alternates.

Several factors are considered to have contributed to the higher bids that were received. At the time of design completion and bid advertisement, impacts of the COVID-19 pandemic on the construction industry were uncertain. Over the course of several months, the effects of the pandemic saw the manufacturing of construction materials facing operational restrictions and the slowdown in production. This significant decrease in material production led to higher demand and inflated costs. Repercussions of the pandemic included increased prices in materials, a shortage of skilled labor, project delays, and a supply unable to keep up with the demand of economic recovery.

Redwood Engineering Construction, Inc. has constructed two City capital improvement projects in the last eight years. Most recently, they constructed the All-Inclusive Lincoln Glen Park Renovation project, completed in October 2021. Staff was also informed that this contractor has satisfactorily completed numerous park construction projects in the Bay Area, notably in the cities of Berkeley, Sunnyvale, and Santa Clara.

San José Municipal Code Section 27.04.050 provides that the normal contingency for all public works contracts (except those involving the renovation of a building or buildings) is not more than ten percent of the total contract amount. Staff recommends a ten percent contingency, which should be sufficient to account for unforeseen conditions that might arise in the construction of the project.

Project Labor Agreement Applicability

A project labor agreement (PLA) is not applicable to this project as the Engineer’s Estimate is under three million dollars.

Local and Small Business Outreach

Procurement staff used Biddingo to outreach to local and small business enterprises. Chapter 4.12 of the San Jose Municipal Code defines a “local business enterprise” as one with a legitimate business presence in Santa Clara County and “small business enterprise” as a local business enterprise with 35 or fewer employees. Procurement staff sent bid invitations to 2,880 vendors, and documents were downloaded by 30 vendors, approximately 11 of which were

located within Santa Clara County and therefore local. The recommended contractor is a local business enterprise because they have a local office in San José. None of the listed subcontractors is a small business enterprise.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

The Public Outreach phase of the project included two Community Workshops on January 9, 2020 and February 25, 2020, at the Guadalupe Gardens Visitor Center to engage the public in the design development of the park.

This memorandum will be posted on the City’s website for the January 25, 2022 Council agenda.

COORDINATION

This proposed project and memorandum has been coordinated with the Planning, Building and Code Enforcement Department and the City Attorney’s Office.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Project Delivery	\$963,172*
Construction	\$1,698,000
Contingency	<u>\$169,800</u>
TOTAL PROJECT COSTS	\$2,830,972
Prior Years’ Expenditures & encumbrances	\$469,798
TOTAL REMAINING PROJECT COSTS	\$2,361,174

*Project delivery includes \$505,172 for Design Services and \$458,000 for Construction Management and Inspection Services.

BUDGET REFERENCE

The table below identifies the fund and appropriations 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	Total Appn	Rec. Budget Action	Amt. for Contract	2021-2022 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
391	NEW (412F)	All Inclusive Rotary PlayGarden Phase II	N/A	\$816,000	\$816,000	N/A	N/A
391	8711	Matching Grant Reimbursement Reserve	\$2,950,000	(\$816,000)	N/A	570	30682, 10/19/21
375	412F	All Inclusive Rotary PlayGarden Phase II	\$1,546,000	N/A	\$882,000	607	30682, 10/19/21

CEQA

Categorically Exempt, File No. PP19-002, CEQA Guidelines Section 15301 Existing Facilities.

/s/
MATT CANO
Director of Public Works

/s/
JON CICIRELLI
Director of Parks, Recreation, and
Neighborhood Services


JIM SHANNON
Budget Director

For questions, please contact Katherine Brown, Deputy Director of Public Works, at (408) 795-1679.