



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: August 20, 2020

Approved

Date

8/20/2020

COUNCIL DISTRICT: 7

SUBJECT: REPORT ON BIDS AND AWARD OF CONSTRUCTION CONTRACT FOR THE 8674 – TRAIL: COYOTE CREEK (STORY ROAD TO PHELAN AVENUE) PROJECT

RECOMMENDATION

Report on bids and award of construction contract for the 8674 – Trail: Coyote Creek (Story Road to Phelan Avenue) Project to the low bidder, Teichert Construction, for the base bid in the amount of \$2,089,885, and approval of a ten percent (10%) contingency in the amount of \$208,989.

OUTCOME

Award of the construction contract to Teichert Construction will enable the Coyote Creek Trail (Story Road to Phelan Avenue) Project to proceed. Approval of a ten (10) percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

The project supports the construction of a 0.9-mile paved trail along the east side of Coyote Creek from Story Road to Phelan Avenue through Kelley Park (see attached map). This is the first of two phases of the TRAIL: Coyote Creek (Story Road to Tully Road) project. The design includes a decorative trail gateway, asphalt concrete paving, fencing, striping, signage, mileage markers and a gravel trail connecting to the Happy Hollow Park and Zoo parking lot, providing access to its public restroom.

On June 14, 2016 (Agenda item 4.4), the City Council authorized the City Manager to apply for, negotiate and execute a grant funding agreement and related documents for use of Affordable

Housing and Sustainable Communities (AHSC) funds to support construction of the trail system from Story Road to Tully Road. The subject project is the first half of the trail system from Story Road to Tully Road project, with future work from Phelan Avenue to Tully Road in the design phase and subject to future Council actions. The departments of Parks, Recreation, and Neighborhood Services (PRNS), Transportation, and Housing collaborated with Charities Housing to obtain the \$14,979,486 grant to jointly develop the trail, streetscape enhancements, traffic signal installation, construct an affordable housing project at 2450 Senter Road, and provide services to ensure residents have safe, secure access to the new facility. Of the grant total, \$5,312,633 was allocated for this project and further work from Phelan Avenue to Tully Road, currently in the design phase.

The terms of the State AHSC grant application and agreement stipulate that the applicants be “joint and severally” bound to the completion of the elements proposed in the concept application to provide accountability for completion of the full scope of the project. In the event one partner does not complete their responsibilities, the other partner would be required to fulfill the obligation.

In 2017, after receiving notice of the award, staff brought an update to Council regarding the AHSC grant award and agreement. On August 29, 2017 (Item 2.15), Council authorized the City Manager or his designee to enter, execute, and deliver a State of California Standard Grant Agreement with any commitments necessary to deliver the agreed upon Grant Scope previously authorized by Council and as consistent with the proposed appropriation actions and future funding plan.

Since the award of grant funds, City staff and Charities Housing have continued to collaborate to advance the grant project to meet the AHSC agreement requirements and timeline. The Public Works Department coordinated closely with various stakeholders during the design to create an open and highly visible trail while accommodating the maintenance and operational needs of existing facilities. The PRNS department has drafted an inter-agency Trail Safety Plan and will be forming a coalition of departments that are invested in keeping core trails through the City of San José safe, accessible, equitable, and beautiful.

Conceptually, the Trail Safety Plan would identify primary service areas such as encampments, social need, crime, habitat restoration, monitoring, maintenance, capital repairs and customer service. Those service areas are being further defined with distinct tasks and outcomes. PRNS is aligning these areas to existing service providers (both within and outside of the City organization). Each group will be engaged to critically assess resource needs, responsibilities, roles and gap areas. This analysis may lead to consolidation of services, addition of services, identifying new partners, extending existing roles, etc. PRNS expects to initiate a Pilot program to coincide with opening of the Coyote Creek Trail from Story to Phelan, creating clear benchmarks for monitoring performance, outcomes and needs. The Pilot is anticipated to run for 2 years minimum, supported with existing but limited grant support. Assessment of the Pilot will support future budget proposals for operational resources for implementation of the Trail Safety Plan across the City’s Trail Network.

Department of Public Works staff reviewed and incorporated Crime Prevention Through Environmental Design (CPTED) principles in the design of this trail system. *CPTED's goal is to prevent crime by designing a physical environment that positively influences human behavior.*¹ Some examples of CPTED design principles applied to this project include maximizing natural surveillance by minimizing blind spots, running the trail through open spaces, clearing heavy vegetation to reduce hidden areas, and opening up sight lines from public streets or spaces. The design facilitates natural access control through the strategic placement of fences, signage, and trailheads that guide people to and from the proper entrances. Using pavement treatments and signage along the trail enables trail users to develop a sense of proprietorship, reinforcing their territory. Lastly, the proper maintenance of this trail will discourage crimes by uplifting the neighborhood's image. Additionally, Public Works and PRNS staff coordinated with the San Jose Police Department on the trail design and CPTED design principles. Based on this collaboration between SJPD staff, the project team made additional improvements to the design.

Construction is scheduled to begin in October 2020 with completion in August 2021. Construction of the trail is timely because funded work to the north and south is also underway.

- Coyote Creek Trail (16th St/William Street to Story Road): Expected bid by August 2020.
- Story Road/Remillard Avenue Traffic Signal Modification: Expected bid by April 2021 (for pedestrian and bicycle crossing).
- Coyote Creek Trail (Phelan Avenue to Tully Road): Design underway, anticipated bid by October 2021.

ANALYSIS

Bids were opened on November 21, 2019, with the following results:

<u>Contractor</u>	<u>Base Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Base Bid/Eng. Est. Percent</u>
Teichert Construction (Pleasanton)	\$2,089,885	(\$147,355)	(7)
Lewis & Tibbitts, Inc. (San José)	2,130,800	(106,440)	(5)
Gordon N. Ball, Inc. (Alamo)	2,182,000	(55,240)	(3)
Engineer's Estimate	2,237,240	---	---

¹ <https://www.ncpc.org/resources/home-neighborhood-safety/crime-prevention-through-environmental-design-training-program/#:~:text=CPTED's%20goal%20is%20to%20prevent,surveillance%2C%20territoriality%2C%20and%20maintenance.>

<u>Contractor</u>	<u>Base Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Base Bid/Eng. Est. Percent</u>
Granite Rock Company (San José)	2,278,980	41,740	2
PMK Contractors, LLC (Hayward)	2,713,486	476,246	21

The low bid submitted by Teichert Construction (Teichert) is seven percent below the Engineer’s Estimate. The bid is considered reasonable for the work involved in the project. The lower than estimated bid can be attributed to a competitive bidding environment where 19 contractors attended the mandatory pre-bid meeting.

Staff requested to extend the award period for a total of 300 days to conduct public meetings to update the community on the project. Teichert accepted the extension and provided an agreement letter to retain their original bid (\$2,089,885.00).

Teichert worked with the PW Transportation and Hydraulics Services division (THS) for a Construction-Enabling Improvements project from 2016 to 2018, which provided the necessary infrastructure to support increased construction activity across the San Jose/Santa Clara Regional Water Facility Site. Construction was delayed for about a year due to unforeseen events such as 2017 flooding, but Teichert successfully delivered the project within the budgeted 10% construction contingency, which was accepted by the City.

San José Municipal Code Section 27.04.050 provides that the contingency for all public works contracts (except those involving the renovation of a building or buildings) cannot exceed ten percent (10%) of the total contract amount. Staff recommends a ten percent (10%) contingency, which should be sufficient to account for unforeseen conditions that might arise in the construction of this 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 2,534 vendors, and documents were downloaded by 50 vendors, approximately 15 of which were

located within Santa Clara County and therefore local. The recommended contractor is not a local business enterprise.

EVALUATION AND FOLLOW-UP

Due to additional community outreach as well as the County’s “Shelter in Place” order with COVID-19, which prevented construction work from proceeding, the project schedule changed. The project is currently within budget and on schedule with a projected completion of fall 2021. No additional follow up action with the 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 trail alignment was referenced as part of the Council action on February 24, 2015, pertaining to the projects CEQA clearance (PP14-051), which was posted by Santa Clara County from March to April in 2015.

This project was listed on Biddingo (www.biddingo.com) and advertised in the *San José Post Record*. The complete bid package and project information for all PW construction projects are available on Biddingo for interested contractors, contractor organizations, and builders’ exchanges.

This memorandum will be posted on the City’s website for the September 1, 2020, City Council Agenda.

Additional Community Outreach

PW and PRNS Staff shared the trail plan with two school districts: East Side Union High School District and Franklin McKinley School District to explain the importance of this project to complete the City trail network and obtain community input in March and June 2020. Generally, participant feedback was positive about the plan. Some of the specific concerns about the reach to the south of this project will be addressed in its design.

On July 8, 2020, PRNS and PW also participated in an outreach webinar organized for residents of District 7. During the webinar, the departments discussed trail design, future construction, and the Trail Safety Plan initiative. Attendees expressed support for the trail while reiterating concerns for safety along the creek channel. The City is developing the Trail Safety Plan to ensure a coordinated approach to addressing safety issues on the trail.

COORDINATION

This memorandum has been coordinated with the Departments of Environmental Services, Planning, Building and Code Enforcement, PRNS, the City Attorney’s Office, and the City Manager’s Budget Office.

COMMISSION RECOMMENDATION/INPUT

The Initial Study (IS) and Mitigated Negative Declaration (MND) was approved by the Council on February 24, 2015.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in our local economy. Development of the Coyote Creek Trail has been documented in the City’s General Plan and designated as a Core Trail in the City’s Trail Network. The project contributes to the 100-mile trail network goal per the newly adopted ActivateSJ, a 20-year strategic plan for PRNS. Development of trail projects is consistent with the Climate Smart Plan’s Transportation Policies; TN-1 National Model for Trail Development & Use, TN-2 Trails as Transportation, and TN-3 Accessible Safe and Well-functioning Trails.

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

	Story To Phelan	Phelan to Tully**	Total
Project Delivery*	\$1,150,126*	\$2,342,000	\$3,492,126
Construction	2,089,885	3,500,000	5,589,885
Contingency	208,989	350,000	558,989
TOTAL PROJECT COSTS	\$3,449,000	\$6,192,000	\$9,641,000
Prior Years’ Actual Expenditures	(519,600)	(1,016,400)	(1,536,000)
REMAINING PROJECT COSTS	\$2,929,400	\$5,175,600	\$8,105,000

*: Project delivery includes Design Services (\$651,226) and Construction Management and Inspection Services costs (\$498,900) related to Story Road to Phelan Avenue Phase.

**\$: \$s shown for this phase are for reference purposes only and not part of council approval.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Mobilization/Administrative Requirements	\$200,000
Construction Staking	30,000
Temporary Facilities and Controls	65,000
Temporary Erosion Control & Sediment Control-Risk Level 2	100,000
Emergency Erosion and Sediment Control Allowance	20,000
Site Clearing	135,000
Demolition	30,000
Utility Conflict Work Allowance	20,000
Facility Protection	10,000
Grading	378,885
Rock Slope Protection (Class Light, Method B)	30,000
Waste Management Plan Allowance	280,000
Class 2 Virgin Aggregate Base	225,000
Flexible Paving	170,000
Rigid Paving	15,000
Concrete Curb, Gutter, And Sidewalk	2,500
Fence and Gates	160,000
Storm Drainage Improvements	20,500
Trailhead	40,000
Thermoplastic Traffic Stripe & Trail Markings	16,000
Signage and Milestone Markers	37,000
Reinforcing Steel	7,000
Interpretive Sign and Frame	4,000
Site Furnishings	1,000
Hydroseeding	12,000
Settlement Monitoring Allowance	20,000
Potholing	16,000
Adjust Active Ground Monitoring Well	6,000
Abandon Inactive/Active Ground Water Monitoring Wells Allowance	<u>39,000</u>
TOTAL CONTRACT AMOUNT:	\$2,089,885

3. OPERATING COSTS: The 2021-2025 General Fund Forecast, which was released in February 2020, included an estimated operating and maintenance impact for this phase (Story Road to Phelan Road) of \$12,000 beginning in 2021-2022, growing to \$16,000 annually. The operating and maintenance costs and opening dates will be reviewed and updated as necessary as part of the 2022-2026 Forecast, which is scheduled to be released in February 2021.

BUDGET REFERENCE

The table below identifies the fund and appropriations allocated 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	Current Total Appn	Rec. Budget Action	Amt for Contract	2020-2021 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
391	405S	TRAIL: Coyote Creek (Story Road to Tully Road)	\$4,883,000	N/A	\$2,089,885	V-266	06/23/2020 Ord. No. 30437

*The 2020-2021 Adopted Capital Budget was approved on June 16, 2020 and adopted by the City Council on June 23, 2020.

CEQA

Mitigated Negative Declaration for the Coyote Creek Trail Project Story Road to Phelan Avenue, File no. PP14-051.

Planning has issued a mitigated negative declaration for this project. The mitigated negative declaration identifies a number of mitigation measures that need to be implemented in order to address environmental impacts. These measures and their manner of implementation are identified in the *Mitigation Monitoring and Reporting Program* for the project. These measures have been incorporated into the project design and the construction documents.

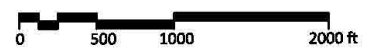
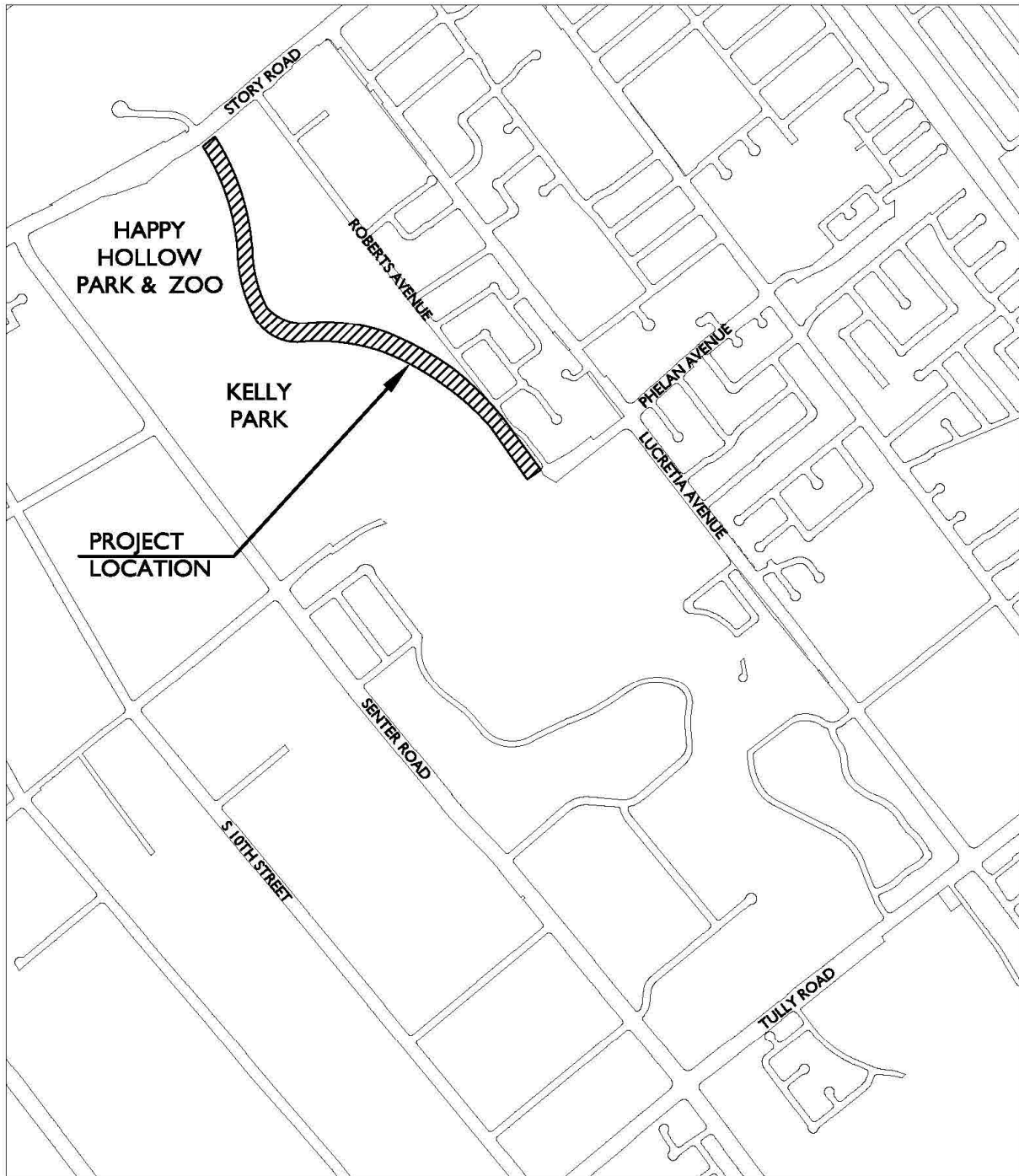
/s/
MATT CANO
Director of Public Works

Attachment: Location Map

For questions please contact Michael O’Connell, Deputy Director, Public Works Department at 408-535-8300.

Location Map

Coyote Creek Trail (Story Road to Phelan Avenue) Project



COYOTE CREEK TRAIL (STORY RD TO PHELAN AVE) LOCATION MAP

