



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
John Ristow

SUBJECT: SEE BELOW

DATE: April 1, 2025

Approved	Date:
	4/8/25

COUNCIL DISTRICT: 3

SUBJECT: Actions Related to the 9375 - Market Street Garage Improvements Project

RECOMMENDATION

- (a) Award a contract for the construction of 9375 - Market Street Garage Improvements Project to Plant Construction Company, LP pursuant to City Charter Section 1217 (h), for the base bid, Bid Alternate No. 1, and Bid Alternate No. 2 in the amount of \$6,085,340.
- (b) Approve a 15% contingency in the amount of \$912,801.
- (c) Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an agreement with Brush Design, LLC to fabricate and install an illuminated facade enhancement at the Market/San Pedro Street Parking Garage in an amount not to exceed \$1,800,000.

SUMMARY AND OUTCOME

The 9375 - Market Street Garage Improvements Project (Project) was initially advertised on September 4, 2024, with bids opened on October 17, 2024. The one responsive bid was 59% over the Engineer’s Estimate, resulting in the Director of Public Works rejecting all bids on October 29, 2024. The Project was advertised for re-bid on December 11, 2024, and received no responsive bidders. After these two attempted bids and to prioritize speed and urgency for the Project, staff negotiated directly with Plant Construction Company, LP for a proposal in the amount of \$6,085,340 for the base bid, Bid Alternate No. 1, and Bid Alternate No. 2.

Direct award of the construction contract to Plant Construction Company, LP will enable the Project to proceed into construction without further delay. Approval of a 15% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

Adoption of the resolution will allow the City Manager or her designee to negotiate and execute an agreement with Brush Design, LLC to fabricate and install an illuminated facade enhancement in an amount not to exceed \$1,800,000 at the Market Street Parking Garage.

BACKGROUND

The Market Street Garage is a key facility in downtown San José's vibrant San Pedro Square commercial district (**Attachment** – Location Map – 9375 – Market Street Garage Improvements Project), a popular destination for dining, retail, and other day to day and night activities. After years of wear and deterioration, the garage requires extensive repairs on its exterior facade and minor structural and plumbing updates throughout.

On January 12, 2018, the City Manager's Office of Economic Development and Cultural Affairs in collaboration with the Department of Transportation released a Request for Qualifications seeking an experienced artist or artist-led team to develop an artwork for the exterior of the parking garage. Following a comprehensive selection process, artist Brian Brush, of Brush Design, LLC, was chosen to design, fabricate, and install an illuminated art facade.

During the early stages of the artist design development process, the project was put on hold to allow the Department of Transportation to investigate emerging issues with the existing facade panels. After a year-long analysis of the existing conditions, it was determined that the garage required minor structural, architectural, plumbing, and electrical repairs to ensure proper operation in coming years. The analysis also identified safety concerns associated with the building's existing glass fiber reinforced concrete facade panels. The consultants recommended the removal of the panels as they contain lead, have reached the end of their useful life, and present safety concerns.

The full scope of work in the base bid includes preparing the existing six-story parking structure for the installation of new illuminated facade by demolishing exterior panels, cleaning, and painting of all new exposed surfaces after demolition, minor structural and architectural repairs to address corrosion and weathering, and new electrical and structural work to support the illuminated art facade. This project has two Bid Alternates; Bid Alternate No.1: installation of a perforated metal curtainwall system at San Pedro Street and Bid Alternate No.2: Plumbing work at the roof top parking level.

Installation of the illuminated art facade by the artist and structural attachment for the electronic billboard sign are not included in the construction contract base bid. They will be installed upon completion of base bid and selected bid alternates.

The project was initially advertised on September 4, 2024, and a second time on December 11, 2024. Both times, two bids were received, one from Plant Construction Company, LP and the second one from S&H Construction. Both times S&H Construction was deemed nonresponsive because its statement of bidder's experience did not provide the information requested by the City and its submitted California Air Resource Board Certificate of Reported Compliance Form was incomplete. On the other hand, Plant Construction Company, LP, was deemed responsive during the first bid advertisement, but the City had to reject the bid due to budget constraints. During the second bid advertisement, Plant Construction Company, LP submitted a bid amount that was acceptable to the City, but it failed to provide the experience requested by the City in the statement of bidder's experience.

Based on an evaluation of the documents submitted with the initial bid, staff determined that of the two bidders Plant Construction Company, LP does meet the experience requirements as outlined in the Project documents and opted to negotiate directly with the contractor to prevent further delays to the overall project timelines for the purposed direct award. Staff considered re-advertising the Project for a third time but ultimately decided against it, as this would increase delivery cost, delay to the Project by approximately four months, and there is no guarantee that responsive bids would be received with more favorable bid pricing than was previously submitted in the prior two advertisements.

Upon approval of this recommendation by City Council, construction work for the base bid and selected bid alternates is projected to start in July 2025 and be completed by February 2026. To limit the impact to the Super Bowl and World Cup events occurring downtown and around the Market Street Garage, site preparation for the installation of the illuminated art facade on the San Pedro Street side is planned to be completed by December 31, 2025. The art installation is estimated to begin in March 2026 with completion in March 2027. The City is negotiating the artist's contract and schedule with the goal of having the art installation work on the San Pedro Street side completed before the World Cup. If the artist timeline does not allow for the art installation to be completed on the San Pedro Street side, the City will coordinate with the Artist for the work to start after the World Cup events.

ANALYSIS

Construction Project

Under Charter Section 1217(h), if no bids are received, the City Council may re-advertise, or have the Project done without further complying with the competitive bidding requirements. Staff is recommending that City Council have the Project done without further competitive bidding by selecting a contractor, negotiating a construction contract, and awarding that contract.

Since there is no guarantee that a third attempt to bid the Project would result in responsive bids, staff reached out to Plant Construction Company, LP for a potential Direct Award. A Direct Award would allow this Project to proceed on schedule without further delays after the City made two attempts for a fair, competitive standard bidding process. Plant Construction Company, LP was deemed responsive during the first public procurement process and submitted the experience required to get the project to successful completion. In addition, its proposed bid amount from the re-bid was within the Project's budget.

Public Art

The existing glass fiber reinforced concrete panels, which cover most of the exterior facade and serve as the building's primary aesthetic feature, must be removed due to safety concerns, and have reached the end of their useful life. As a result, a new design solution is required to maintain the building's visual integrity. Input from local businesses and the community highlighted the importance of an enhancement that remains visually engaging both during the day and at night. To achieve this, the Department of Transportation partnered with the City Manager's Office of Economic Development and Cultural Affairs to commission an artist specializing in illuminated art to create a new facade treatment.

To implement this vision, the City Manager's Office of Economic Development and Cultural Affairs, in collaboration with Department of Transportation, issued a request for qualifications on January 12, 2018, seeking an experienced artist or artist-led team to develop a dynamic, visually engaging artwork for the structure. The request for qualification closed on February 20, 2018, attracting 94 applications. On April 19, 2018¹, the artist selection panel conducted further evaluations and unanimously selected Brian Brush of Brush Design, LLC as the lead artist for the Project. The new illuminated facade will not only enhance the garage's visual appeal but also create a distinctive landmark, attracting community interest and drawing more visitors to the downtown core.

¹ Public Art Committee meeting on June 5, 2018, agenda item B.2, artist selected.

<https://www.sanjoseca.gov/home/showpublisheddocument/31983/636702884862700000>

The illuminated facade design is conceptually inspired by the diverse history, landscape, and people of San José. Visually, it will feature an abstract composition of color and light interwoven with industrial materials, including aluminum, steel, and light-emitting diode elements. The aluminum components will be finished in vibrant shades of violet, teal, and orange, creating a dynamic daytime presence, while the light-emitting diode lighting will provide a striking yet subtle nighttime effect. The lighting will be low voltage, diffused, and indirect to prevent projection onto roadways and minimize skyward illumination in accordance with dark sky principles. Additionally, it will be dimmable and programmable, allowing for dynamic visual effects that enhance the evolving character of downtown San José.

Following the approval of the illuminated facade by the San José Public Art Committee on February 2, 2021², the artist and his consultants worked closely with City staff to integrate the artwork into the base project's construction documents.

Negotiation with Contractor

Staff reached out to Plant Construction Company, LP and requested a reduction in its proposal amount. Negotiations were unsuccessful and the following proposal was accepted. The proposal submitted by Plant Construction Company, LP is 23% above the Engineer's Estimate. The cost associated with structural repairs to the garage which include metal and concrete work, thermal and moisture protection, and finishes and exterior improvements is 38% above the Engineer's Estimate for this scope of work. Potential reasons for the higher bid amount include the complexity of the project, mitigating measures associated with removal of hazardous materials on site, the extended project timeline, and higher material prices associated with the current market conditions. The bid is considered acceptable for the work involved in the Project.

<u>Contractor</u>	<u>Base Bid</u>	<u>Bid Alternate Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Engineer's Estimate	\$4,530,000	\$407,000	\$4,937,000	-	-
Plant Construction, LP (San Francisco)	\$5,747,243	\$338,097	\$6,085,340	\$1,148,340	23

² Public Art Committee meeting on February 2, 2021, agenda item B.1, artist design approved.
<https://www.sanjoseca.gov/home/showpublisheddocument/68854/637474484809770000>

Bid Alternates

<u>Contractor</u>	<u>Bid Alternate No. 1</u>	<u>Bid Alternate No. 2</u>	<u>Total Bid Alternate</u>
Engineer's Estimate	\$192,000	\$215,000	\$407,000
Plant Construction, LP (San Francisco)	\$288,097	\$50,000	\$338,097

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 15% on all public works contracts involving the renovation of a building or buildings. The standard 15% 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 7, 2025, and March 17, 2025, and no known compliance issues exists for this vendor.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is over \$1.121 million.

Local and Small Business Analysis

The recommended contractor is not a local or a small business enterprise. However, several local business enterprises are listed as subcontractors on this Project: Summit Steel Works (San José) will perform structural steel work, valued at approximately \$165,000; Securetech Fence System, Inc. (San José) will perform welded wire fencing work, valued at approximately \$392,000; Castro Plumbing Services, Inc. (San José) will perform plumbing work, valued at approximately \$124,000; Alumawall, Inc. (San José) will perform exterior grilles and screens (Bid Alternate No.1), valued at approximately \$289,000.

EVALUATION AND FOLLOW-UP

The approval of this recommendation will enable the Project to move forward into the construction phase. No additional follow up action with City Council is expected at this time.

COST SUMMARY/IMPLICATIONS

The Project supports the Transportation and Aviation City Service Area's goal to improve existing parking facilities in the downtown area and the Public Art Program's goal to integrate high impact public art and design into the community. Consequently, the improvements to Market Street Garage will allow the City to repair this aging garage and make this area of downtown a focal point for residents and businesses. In addition, the source of funding for this Project is the General Purpose Parking Capital Fund in the Department of Transportation's Parking Garage Facade Improvements Appropriation and Minor Parking Facility Improvements Appropriation as approved by City Council as part of the 2024-2025 Annual Budget process. Additional funding may be needed for the illuminated facade installation and will be recommended as part of the 2026-2030 Proposed Parking Capital Improvement Program, subject to the appropriation of funds. Operating and maintenance costs are not forecasted to drastically impact net General Purpose Parking Operating Fund costs. Any long-term maintenance agreement that exceeds City Manager authority will return to City Council for review and approval.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$1,717,022
Construction**	6,085,340
Public Art***	1,800,000
Contingency	912,801
TOTAL PROJECT COSTS	<u>\$10,515,163</u>
Prior Years' Expenditures & encumbrances	741,205
REMAINING PROJECT COSTS	\$9,773,958

*Project Delivery fees include \$784,607 of design services and bidding, and \$932,415 for construction management and inspection services.

**Includes base bid, Bid Alternate No.1, and Bid Alternate No. 2.

***Public Art costs include fabrication and installation of illuminated facade enhancement and 20% additional stock of light-emitting diode material

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

General Requirements	\$787,703
Allowances	110,000
Structural Attachments for Billboard Sign	196,399*
Improvement Work for Light Art Facade Installation	929,427
Structural Repairs	3,723,714
Bid Alternate No.1	288,097
Bid Alternate No.2	50,000
TOTAL AGREEMENT/CONTRACT AMOUNT	\$6,085,340

*Cost for the installation of the structural attachments for the billboard sign is anticipated to be reimbursed to the City by Orange Barrel Media, LLC per City Council's approval on February 25, 2025, of large-format signage on City-owned buildings in downtown.

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. The table also identifies the fund and appropriation for the public art project.

Fund #	Appn. #	Appn. Name	Current Total Appn.	Amt. For Contract(s)	2024-2025 Capital Budget Page	Last Budget Action (Date, Ord. No.)
559	409C*	Garage Facade Improvements	\$6,550,000	\$6,275,090	542	10/22/2024 31133
559	5992	Minor Parking Facility Improvements	\$1,500,000	\$470,250	542	06/18/2024 31102

**Within the contract amount recommended for Appropriation 409C, \$5,615,090 is included to encumber a construction contract with Plant Construction Company, LP and \$660,000 is included to begin purchasing materials related to the illuminated facade installation for Brush Design, LLC. The additional project costs for the illuminated facade project will be included as part of the 2026-2030 Proposed Parking Capital Budget, subject to the appropriation of funds.*

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, the City Manager’s Budget Office, the City Manager’s Office of Economic Development and Cultural Affairs, 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.

For the illuminated facade enhancement by artist Brian Brush the following table shows the public and community engagement meetings in conjunction with this Project conducted thus far.

<u>Date</u>	<u>What</u>	<u>Purpose</u>	<u>Location</u>	<u>Convener</u>
6/13/2017	City Council	Project was approved as part of the 5-year Capital Improvement Program workplan through the Parking program	City Hall	City Council
3/6/2018	Artist Selection Panel	Artist Selection online review	Online	San Jose Public Art
4/3/2018	Public Art Committee	Reviewed and Discussed project as part of 5-year Capital Improvement Program workplan	City Hall	San Jose Public Art
4/19/2018	Artist Selection Panel	Artist selection	City Hall	San Jose Public Art
5/21/2018	Arts Commission	Project was recommended for approval to City Council as part of 5-year Capital Improvement Program workplan.	City Hall	City Manager’s Office of Economic Development and Cultural Affairs
6/12/2018	City Council	Project was approved as part of the 5-year Capital Improvement Program workplan for Public Art.	City Hall	City Council
9/26/2018	Community Meeting	Visioning meeting with stakeholders/neighborhood residents	City Hall	San Jose Public Art
1/19/2021	Stakeholder Panel Meeting	Design presentation	City Hall	San Jose Public Art
2/2/2021	Public Art Committee Meeting	Design proposal, review/approval	City Hall	San Jose Public Art

<u>Date</u>	<u>What</u>	<u>Purpose</u>	<u>Location</u>	<u>Convener</u>
6/15/2022	Downtown Parking Board	Facade artwork concept was shared as part of the 5-year Capital Improvement Program update	Online	Department of Transportation
4/4/2024	San Pedro Square Committee Meeting	Project presentation from City public art director and artist	12 N San Pedro Street	San Jose Downtown Association
4/9/2024	Moment Shops Meeting	Construction schedule discussion	Online	San Jose Downtown Association
5/28/2024	Moment Shops Meeting	Construction schedule discussion	Online	San Jose Downtown Association
6/25/2024	Moment Shops Meeting	Construction schedule discussion	Online	San Jose Downtown Association

COMMISSION RECOMMENDATION AND INPUT

The public artist's installation project was reviewed as part of the Capital Improvement Projects Art in Public Places 2019-2023 Work Plan and recommended to the Arts Commission for approval on May 21, 2018. The Arts Commission unanimously recommended that the City Council approve this project as part of the Public Artwork Plan at its meeting on May 21, 2018. City Council approved this project as part of the Capital Improvement Projects Art in Public Places 2019-2023 Work Plan on June 18, 2019.

Additionally, the project and associated projects and budgets were reviewed with the Downtown Parking Board during various meetings in Fiscal Year 2023-2024.

CEQA

Garage Improvements is Categorical Exempt, File No. ER20-225, CEQA Guidelines Section 15301, Existing Facilities.

Public Art project is exempt, File No. PP16-006, CEQA Guidelines Section 15300.2 provides exceptions to the use of Categorical Exemptions where the use of a Categorical Exemption is prohibited under certain circumstances. The City has considered the projects applicability to all the exceptions under Section 15300.2. An analysis of each of these exceptions is included in the exemption File No. PP16-006.

HONORABLE MAYOR AND CITY COUNCIL

April 1, 2025

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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.

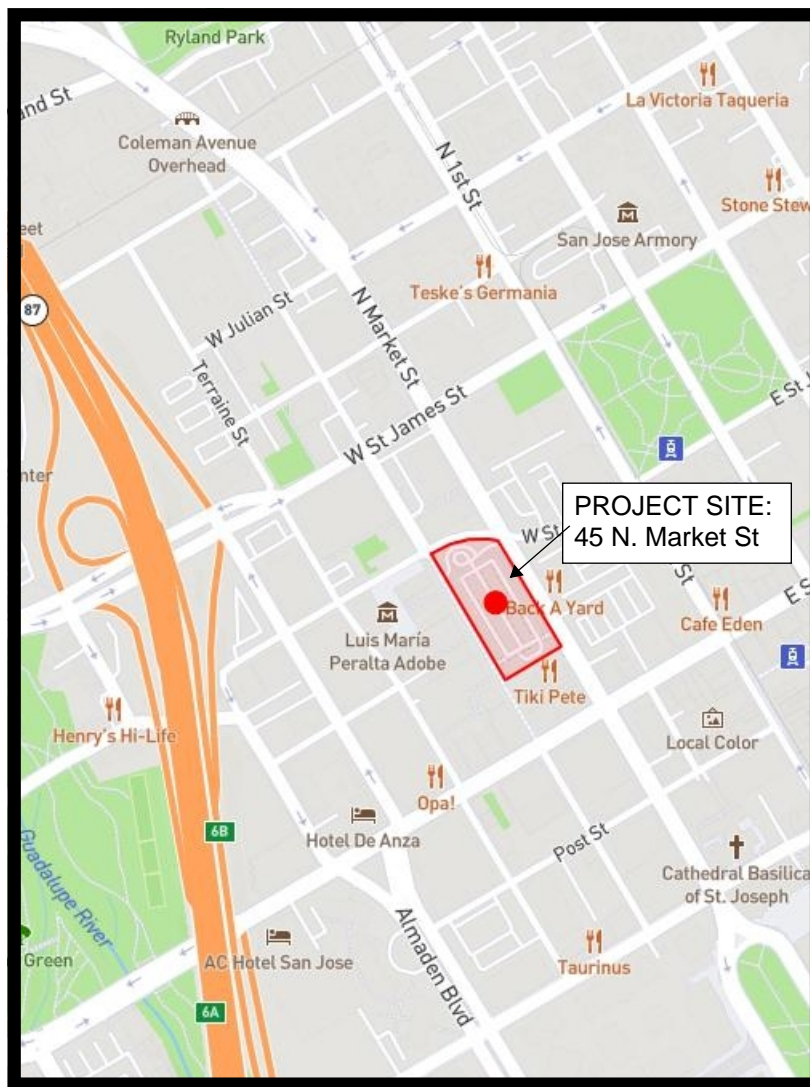
/s/
JOHN RISTOW
Director of Transportation

/s/
MATT LOESCH
Director of Public Works

For questions, please contact Sal Kumar, Deputy Director of Public Works, at Sal.Kumar@sanjoseca.gov

ATTACHMENT - Location Map - 9375 - Market Street Garage Improvements Project

Attachment
Location Map
9375 - Market Street Garage Improvements Project



MARKET STREET GARAGE
NOT TO SCALE

