



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Jon Cicirelli
Jim Shannon

SUBJECT: See Below

DATE: November 17, 2025

Approved

Date:

11/21/25

COUNCIL DISTRICT: 3

SUBJECT: Actions Related to the 10400 – Park Bundle – 9111 North San Pedro Park and 9102 Bassett Park Project for the Elizabeth P. Boyer Park and City Gardens Park

RECOMMENDATION

- (a) Report on bids and award a contract for the construction of 10400 – Park Bundle – 9111 North San Pedro Park and 9102 Bassett Park Project for the Elizabeth P. Boyer Park and City Gardens Park to the lowest responsive, responsible bidder, QLM Inc., for the base bid and Bid Alternate Nos. 1, 2, 3, and 8 in the amount of \$5,603,700.
- (b) Approve a 10% contingency in the amount of \$560,370.
- (c) Adopt the following 2025-2026 Appropriation Ordinance amendments in the Subdivision Park Trust Fund:
 - (1) Establish the North San Pedro Parks Area Construction appropriation to the Parks, Recreation, and Neighborhood Services Department in the amount of \$6,668,000;
 - (2) Decrease the North San Pedro Area Parks Reserve by \$5,642,000;
 - (3) Decrease the Future PDO / PIO Projects Reserve by \$837,000; and
 - (4) Decrease the North San Pedro Area Parks Master Plans appropriation to the Parks, Recreation, and Neighborhood Services Department by \$189,000.
- (d) Adopt the following 2025-2026 Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District 3:
 - (1) Establish the North San Pedro Area Parks Construction appropriation to the Parks, Recreation, and Neighborhood Services Department in the amount of \$786,000; and
 - (2) Decrease the North San Pedro Area Parks Reserve by \$786,000.

- (e) In accordance with City Council-approved Budget Principle #8, certify that funding the annual operations and maintenance costs for the City Gardens Park (initially referred to as Bassett Park Project), which is estimated to exceed \$100,000 annually in the General Fund, shall be made available in the applicable year of the cost impact.

SUMMARY AND OUTCOME

This memorandum summarizes the bids received and requests the award of a contract for the construction of 10400 – Park Bundle – 9111 North San Pedro Park and 9102 Bassett Park Project (Project) for the Elizabeth P. Boyer Park and City Gardens Park. Award of the contract to QLM Inc. will enable the Project to proceed into construction. Approval of a 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

Adoption of the appropriation ordinance amendments will provide adequate funding to construct the Project and approval of the certification language will allow for the operation of the new facilities beginning in 2026-2027.

BACKGROUND

The proposed 0.89-acre North San Pedro Park, now officially named Elizabeth P. Boyer Park, is located on North San Pedro Street between Bassett and West Julian Streets, and the proposed 0.31-acre Bassett Park, now officially named City Gardens Park, is situated at the northeast corner of Bassett and North San Pedro Streets (Attachment – Location Map – 10400 – Park Bundle – 9111 North San Pedro Park and 9102 Bassett Park Project). The park names were adopted by City Council on January 23, 2024. The Project was advertised for bids on January 30, 2025, and the bid documents, including the notice to contractors, continued to reference the original park names rather than the newly adopted park names.

The Elizabeth P. Boyer Park and City Gardens Park Master Plan, approved by City Council on April 27, 2021, envisioned a connected network of parks, including Pellier Park, which opened in 2023. Construction documents and cost estimates for both parks were completed in December 2022. However, the project progress was delayed due to a street vacation for Elizabeth P. Boyer Park and phase II soil sampling for City Gardens Park.

The scope of work for both parks includes demolition, clearing and grubbing, earthwork and grading, archaeological and Native American monitoring, storm drain, paving, landscaping, irrigation, lighting, signage, erosion and sediment control, utility, and miscellaneous site furnishing and amenities. Additionally, City Gardens Park includes hazardous soil remediation and, with the inclusion of four selected bid alternates: a fitness court, a bouldering wall, precast concrete pavers, and a playground structure.

The two parks are bundled as one bid package due to their close proximity, less than half a mile, within the same council district. Bundling is expected to reduce overall project costs and avoid the need for duplicate mobilizations.

Both the Elizabeth P. Boyer Park and City Gardens Park are scheduled to begin construction in February 2026 and are anticipated to be completed by April 2027.

ANALYSIS

Bid Results

Bids were opened on September 18, 2025, 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) Percent</u>
Engineer's Estimate	\$5,545,000	\$975,000	\$6,520,000	---	---
QLM Inc. (San José)	\$4,868,700	\$934,000	\$5,802,700	(\$717,300)	(11%)
Guerra Construction Group (Santa Clara) (<i>non-responsive</i>)	\$5,682,794	\$858,840	\$6,541,634	\$21,634	1%
A & B Construction (Oakland) (<i>non-responsive</i>)	\$5,822,643	\$1,071,000	\$6,893,643	\$373,643	6%
Azul Works, Inc. (San Francisco)	\$5,696,000	\$1,284,000	\$6,980,000	\$460,000	7%
Suarez & Munoz Construction Inc. (Hayward)	\$6,145,000	\$1,154,000	\$7,299,000	\$779,000	12%
S&H Construction, Inc. (Fremont) (<i>non-responsive</i>)	\$6,270,000	\$1,072,600	\$7,342,600	\$822,600	13%
McGuire & Hester (Oakland) (<i>non-responsive</i>)	\$6,667,238	\$879,400	\$7,546,638	\$1,026,638	16%

Bid Alternates

<u>Contractor</u>	<u>Bid Alternate No. 1</u>	<u>Bid Alternate No. 2</u>	<u>Bid Alternate No. 3</u>	<u>Bid Alternate No. 4</u>
Engineer's Estimate	\$330,000	\$240,000	\$135,000	\$30,000
QLM Inc. (San José)	\$365,000	\$135,000	\$115,000	\$35,000
Guerra Construction Group (Santa Clara) <i>(non-responsive)</i>	\$342,195	\$116,742	\$99,433	\$71,800
A & B Construction (Oakland) <i>(non-responsive)</i>	\$447,000	\$192,000	\$165,000	\$29,000
Azul Works, Inc. (San Francisco)	\$750,000	\$80,000	\$210,000	\$12,000
Suarez & Munoz Construction Inc. (Hayward)	\$462,000	\$143,000	\$160,000	\$26,000
S&H Construction, Inc. (Fremont) <i>(non-responsive)</i>	\$350,000	\$250,000	\$145,000	\$40,000
McGuire & Hester (Oakland) <i>(non-responsive)</i>	\$332,750	\$123,700	\$87,000	\$27,400

<u>Contractor</u>	<u>Bid Alternate No. 5</u>	<u>Bid Alternate No. 6</u>	<u>Bid Alternate No. 7</u>	<u>Bid Alternate No. 8</u>
Engineer's Estimate	\$170,000	\$15,000	\$10,000	\$45,000
QLM, Inc. (San José)	\$145,000	\$9,000	\$10,000	\$120,000
Guerra Construction Group (Santa Clara) <i>(non-responsive)</i>	\$159,660	\$6,870	\$6,140	\$56,000
A & B Construction (Oakland) <i>(non-responsive)</i>	\$56,000	\$10,000	\$12,000	\$160,000

<u>Contractor</u>	<u>Bid Alternate No. 5</u>	<u>Bid Alternate No. 6</u>	<u>Bid Alternate No. 7</u>	<u>Bid Alternate No. 8</u>
Azul Works, Inc. (San Francisco)	\$20,000	\$10,000	\$16,000	\$186,000
Suarez & Munoz Construction Inc. (Hayward)	\$150,000	\$8,000	\$15,000	\$190,000
S&H Construction, Inc. (Fremont) (non-responsive)	\$190,000	\$25,000	\$17,600	\$55,000
McGuire & Hester (Oakland) (non-responsive)	\$150,150	\$10,150	\$10,000	\$138,250

Section 3-1.01D of the City of San José Special Provisions specifies how the City will determine the low bid when bid alternates are included. The section requires the City to determine the low bid 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 the ceiling price of \$5,545,000. 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.

In this instance, the lowest responsive, responsible bidder was determined by having the greatest number of Bid Alternates added to the Base Bid without exceeding the ceiling price. All other responsive, responsible bidders had a Base Bid that exceeded the ceiling price.

In addition to the Base Bid scope of work, Bid Alternate No. 1, Bid Alternate No. 2, Bid Alternate No. 3, and Bid Alternate No. 8 are recommended for award because they offer significant value through park programming opportunities and greater material longevity (details noted in the Cost Summary Section of this memorandum). There is no funding to award remaining Bid Alternates.

Procurement Issues

The bid submitted by Guerra Construction Group was deemed non-responsive because a page of the bidder's Schedule of Quantities was omitted.

The bid submitted by A&B Construction was deemed non-responsive because the bidder listed a designated subcontractor that was not registered with the California Department of Industrial Relations as required by state law.

The bid submitted by S&H Construction, Inc. was deemed non-responsive because the bidder failed to meet the City's experience requirements. In addition, the bidder listed a designated subcontractor that was not registered with the California Department of Industrial Relations as required by state law. The bidder also failed to submit a required California Air Resources Board Certificate of Reported Compliance and improperly completed its California Air Resources Board Regulation Compliance form.

The bid submitted by McGuire and Hester was deemed non-responsive because the bidder listed a designated subcontractor that was not registered with the California Department of Industrial Relations as required by state law.

Bid Price Analysis

The low bid submitted by QLM Inc. is 11% below the Engineer's Estimate. Staff considers this reasonable for the work involved. This lower than estimated bid can be attributed to a competitive bidding environment, as well as the contractor's familiarity with this scope of work to be performed as part of the Project.

Contractor Responsibility Analysis

QLM Inc. completed the Pellier Park Project in 2023, which is one of the three new parks planned for the Downtown's North San Pedro area. Additionally, QLM Inc. completed the Almaden Lake All Inclusive Playground Park Project earlier this year.

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 September 18, 2025, and again on October 20, 2025. Wage theft violations were identified, which fell within the policy's five-year enforcement window for the following contractors: S&H Construction and Guerra Construction. However, in accordance with the wage theft prevention policy, the violations did not meet or exceed the threshold for mandatory disqualification. The bidders were allowed to proceed in the procurement process.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this Project because, at the time the project was procured, the Project Labor Agreement applied to any project with an Engineer's Estimate of \$1.21 or greater.

Local and Small Business Analysis

The recommended contractor is local but not a small business enterprise. Two local businesses are listed as subcontractors. Bear Electrical Solutions (San José) will be performing electrical work valued at approximately \$1,080,000. In addition, Playgrounds Unlimited (Santa Clara) will be installing the play equipment and subsurface valued at approximately \$115,000.

EVALUATION AND FOLLOW-UP

No additional follow up action with City Council is expected.

COST SUMMARY/IMPLICATIONS

As shown in the table below, the total recommended award contract is \$5,603,700, which includes the Base Bid of \$4,868,700 and \$735,000 for Bid Alternates. An additional \$2.6 million is needed for the project delivery costs and hazardous soil remediation, and \$560,370 is allocated for construction contingency. Budget actions to allocate \$7.45 million of the remaining Project costs are recommended in the Subdivision Park Trust Fund (\$6.7 million) and the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #3 (\$786,000). These actions are offset by the reduction to the North San Pedro Area Parks Reserve (\$6.43 million), the Future PDO/PIO Reserve (\$837,000) and the North San Pedro Area Parks Master Plans project, which helped fund the Project's development and design costs and has savings that can support the construction of both parks (\$189,000).

While the final amount for the operation and maintenance costs will be further analyzed prior to the inclusion in the 2026-2027 Base Budget, the estimated annual costs impacting the General Fund is \$45,000 for the Elizabeth P. Boyer Park and \$104,000 for the City Gardens Park and were included as committed additions in the 2025-2026 City Manager's Budget Request and 2026-2030 Five-Year Forecast and Revenue Projections document. Any revisions to the cost estimates will be reviewed and included in the 2026-2027 City Manager's Budget Request and 2027-2031 Five-Year Forecast and Revenue Projections, which will be released in February 2026.

In 2008, the City Council approved a set of budget principles that included a requirement (Budget Principle #8) that capital improvement projects shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact. Certification shall demonstrate that funding for the entire cost of the project, including the operations and maintenance costs, will not require a decrease in existing basic neighborhood services. City staff does not anticipate a degradation of basic neighborhood services and recommends City Council certification of the City Gardens Park project.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$2,524,000
Soil Remediation	102,000
Construction	5,603,700
Contingency	560,370
TOTAL PROJECT COSTS	\$8,790,070
Prior Years' Expenditures & Encumbrances through June 30, 2025	1,336,853
TOTAL REMAINING PROJECT COSTS	\$7,453,217

*Project delivery includes \$989,000 for design services and bidding and \$1,535,000 for construction management and inspection services.

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

Elizabeth P. Boyer Park Mobilization & Start-up	\$191,000
Elizabeth P. Boyer Park Improvements	3,213,350
City Gardens Park Mobilization & Start-up	314,500
City Gardens Park Improvements	1,149,850
TOTAL BASE BID AMOUNT	\$4,868,700
Bid Alternate No. 1: City Gardens Park – Fitness Court Area	\$365,000
Bid Alternate No. 2: City Gardens Park – Boulderling Wall Area	135,000
Bid Alternate No. 3: City Gardens Park – Playground Area	115,000
Bid Alternate No. 8: City Gardens Park – Precast Concrete Paving	120,000
TOTAL BID ALTERNATE AMOUNT	\$735,000
TOTAL BID AMOUNT	\$5,603,700

BUDGET REFERENCE

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

Fund #	Appn #	Appropriation Name	Total Appropriation	Rec. Budget Action	Amt. for Contract	2025-2027 Adopted Biennial Capital Budget Page*	Last Budget Action (Date, Ord. No.)
375	NEW	North San Pedro Area Parks Construction	N/A	\$6,668,000	\$4,817,700	N/A	N/A
375	8534	North San Pedro Area Parks Reserve	\$5,642,000	(\$5,642,000)	N/A	676	6/17/2025 31230
375	8845	Future PDO/PIO Reserve	\$18,783,679	(\$837,000)	N/A	676	10/21/2025 31252
375	403L	North San Pedro Area Parks Master Plans	\$189,000	(\$189,000)	N/A	613	10/21/2025 31252
380	NEW	North San Pedro Area Parks Construction	N/A	\$786,000	\$786,000	N/A	N/A
380	8534	North San Pedro Area Parks Reserve	\$786,000	(\$786,000)	N/A	433	6/17/2025 31230

COORDINATION

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

PUBLIC OUTREACH

Public outreach for the Bassett and North San Pedro Master Plan was conducted through the community engagement process in collaboration with the Parks, Recreation, and Neighborhood Services Department and the Council District 3 Office. This included six community meetings from September 2018 to April 2019 to understand neighborhood values, share design concepts, and present final designs. Additional outreach included a two-part community survey to support the future park naming process: the first survey

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November 17, 2025

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invited name suggestions, and the second survey allowed participants to rank the proposed names by preference.

In addition, this memorandum will be posted on the City's Council Agenda website for the December 2, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

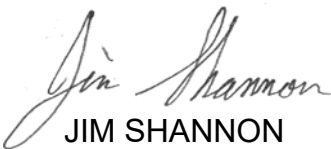
Addendum to Downtown Strategy 2040 Final Environmental Impact Report (Resolution No. 78942), File No. PP20-001.

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

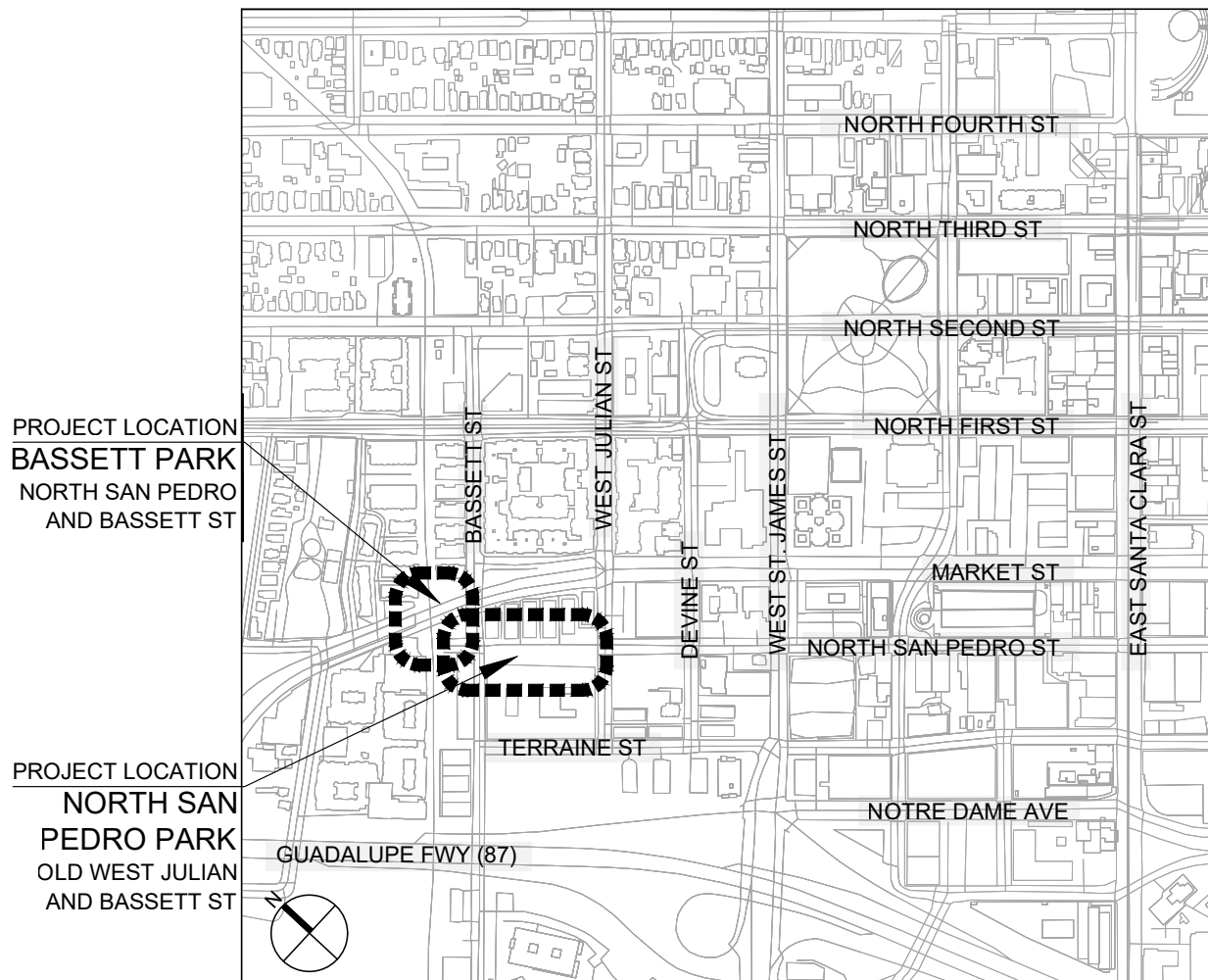

JIM SHANNON
Budget Director

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

ATTACHMENT – Location Map – 10400 – Park Bundle – 9111 North San Pedro Park and 9102 Bassett Park Project

**ATTACHMENT – Location Map – 10400 – Park Bundle – 9111 North San Pedro Park and
9102 Bassett Park Project**

LOCATION MAP



NOT TO SCALE