



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Cano

**SUBJECT:** SEE BELOW

**DATE:** April 19, 2021

Approved

Date

4/22/2021

**COUNCIL DISTRICT: 3**

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 9110 –  
PARK: PELLIER PARK PROJECT**

## **RECOMMENDATION**

Report on bids and award of contract for the 9110 – Pellier Park Project to the low bidder, QLM, Inc., in the amount of \$2,144,778, and approve a ten (10) percent contingency in the amount of \$214,478.

## **OUTCOME**

Award of the construction contract to QLM, Inc. (QLM) will enable the Pellier Park Project (Project), a ½-acre neighborhood park in the North San Pedro neighborhood of Downtown San Jose, to proceed. Approval of a ten percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

## **BACKGROUND**

Pellier Park is approximately 24,500 square feet in size and falls within the Downtown Primary Commercial District bounded by West St. James Street to the south, Terraine Street to the west, Devine Street to the north, and City Heights Tower (residential condominium neighborhood) to the east (map attached). The current site is located on a portion of the historic and former City Gardens Nursery (a Historic Landmark site - HL77-3) and is the third City of San José landmark designated by the San José City Council under Resolution No. 48866.

Pellier Park was dedicated in 1977 to celebrate the City's bicentennial and named after Louis Pellier, a French immigrant credited with the introduction of the French prune.

Below is a summary of key development activities conducted for this park.

- 1) In 2003, the Redevelopment Agency prepared the “North San Pedro Design Development Guidelines”, which reorganized the park per a new street grid, and added paseos and pedestrian ways.
- 2) In 2005 when construction began at the City Heights condominium, the park was removed to serve as a short-term staging area and some of the historical elements such as donners plaques were removed, stored, and preserved for future use.
- 3) In June of 2007, the Parks and Recreation Commission recommended the approval of the proposed Master Plan developed by Bruce Hill Associates; and in 2008, the Historic Landmarks Commission approved the 65 percent construction documents. A downturn in the economy caused a delay in delivery of the project.
- 4) Realignment of the former Julian Street “S” curve to a conventional street grid alignment was completed in 2017 through a development agreement with Barry Swenson Builders. Coordination with this street realignment project caused additional delays in rebuilding Pellier Park.
- 5) In May of 2018, the Department of Parks, Recreation and Neighborhood Services (PRNS) commenced a Master Plan process for the park to consider the change in street frontage and the increased parcel size.
- 6) With completion of the Pellier Park Master Plan, the park was redefined as one of three new parks planned for Downtown’s North San Pedro area (Pellier Park, North San Pedro Park and Bassett Park). The City Council adopted the Pellier Park Master Plan on December 10, 2019.

Most of the site is currently open space with lawn as well as small bare soil areas. The Project will improve the site with a paseo of concrete paving and unit pavers, paved gathering space as well as open lawn and landscape areas with flowering trees and shrubs. Proposed design elements include park signs at the park’s main entrances, a gateway fence, a long community worktable with chairs in a gathering space, seating cubes, and a long history wall with donor plaques to define the northern edge of the park where it abuts townhomes. Pedestrian and landscape lighting with glare control will be located throughout the park.

Anticipated uses are mainly passive activities such as walking, gathering, stretching or reading, which are expected to generate little noise. Stormwater runoff will drain through pervious pavers and into vegetated landscape areas in compliance with the Municipal Regional Stormwater NPDES Permit (MRP) C.3 requirements. At the time of construction, noise, air and erosion control will be provided according to the local, state and federal laws and regulations.

Construction is scheduled to begin in June 2021, with completion in June 2022.

**ANALYSIS**

Bids were opened on March 4, 2021 with the following results:

<u>Contractor</u>	<u>Base Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Engineer's Estimate Percent</u>
QLM, Inc. (San Jose)	\$2,144,778	(555,222)	(21)
Integra Construction Services (Pleasanton)	\$2,330,500	(369,500)	(14)
Marina Landscape, Inc. (Orange)	\$2,332,800	(367,200)	(14)
Guerra Construction Group (Santa Clara)	\$2,474,790	(225,210)	(8)
<b>Engineer's Estimate</b>	<b>\$2,700,000</b>	<b>--</b>	<b>--</b>
Goodland Landscape Construction, Inc. (Tracy)	\$2,864,744	164,744	6

QLM is the lowest responsive bidder with a bid twenty one (21) percent under the Engineer's Estimate. Staff considers the bid amount to be reasonable for the work involved.

Though QLM has not contracted with the City before, Staff conducted research and reference checks and confirmed they had completed similar projects with other public agencies in the past. QLM worked with the City of Fremont on the "Improvements at Brookvale Trail Plaza Park" and "Improvements at Boat House at Water Park & Sabercat Park" projects. These projects included paving, landscaping, and irrigation installations. They also worked with the County of Santa Clara on the Los Gatos Creek Trail at Vasona Lake. Both references agreed that QLM is a responsible contractor.

Given the findings of reference research as well as the bid results, Staff recommends the award of the Project to QLM.

San Jose 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 (10) percent of the total contract amount. Staff recommends a ten (10) percent contingency, which is considered appropriate for this project and should be sufficient to account for unforeseen conditions that might arise during construction. The funds budgeted for this project are sufficient to provide for the recommended contingency.

### **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**

During the bidding process, Public Works 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 2813 vendors, and documents were downloaded by 30 vendors, approximately 9 of which were located within Santa Clara County and therefore local. The recommended contractor is a local business enterprise.

### **CONCLUSION**

Staff recommends the awarding the construction contract to QLM based on the analysis above.

### **EVALUATION AND FOLLOW-UP**

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

### **CLIMATE SMART SAN JOSE**

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

This project was listed on Biddingo ([www.biddingo.com](http://www.biddingo.com)). The complete bid package and project information for all Department of Public Works (PW) construction projects are available on Biddingo for interested contractors, contractor organizations, and builders' exchanges.

Community outreach in the master planning process consisted of three community workshops between September 2018 and April 2019 with subsequent online surveys following the first and second meeting, two Ad-Hoc committee meetings, six meetings with E. Clampus Vitus, an historical organization. PRNS Staff engaged in follow-up discussions with the community via email to ensure full understanding of comments and expectations.

This memorandum will be posted on the City’s website for the May 4, 2021, City Council Agenda.

**COORDINATION**

The design was coordinated with the PRNS maintenance team to accommodate their operation and maintenance needs. Staff reached out to Office of Economic Development and Department of Transportation and incorporated their electrical needs for future wayfinding systems. Post construction stormwater treatment requirements were incorporated into the design through coordination with Environmental Services Department.

This memorandum has been coordinated with the Department of Parks, Recreation and Neighborhood Services; Department of Environmental Services; Department of Planning, Building and Code Enforcement, the City Attorney’s Office, and the City Manager’s Budget Office.

**COMMISSION RECOMMENDATION/INPUT**

The Master Plan for this park project was approved by the Parks and Recreation Commission on October 2, 2019 and approved by City Council on December 10, 2019.

**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.

**COST SUMMARY/IMPLICATIONS**

A grant for \$1.3 million has been awarded from the State of California's Housing and Development on October 11, 2016, under the Affordable Housing and Sustainable Communities (AHSC) for this project. Once this funding is received, the Subdivision Park Trust Fund will be reimbursed accordingly. Any savings after completion of the Pellier Park project will be requested to reallocate to the North San Pedro Area Parks Reserve in the Subdivision Park Trust Fund through a future budget process.

1. COST OF PROJECT:	
Project Delivery*	\$ 1,420,744
Construction	2,144,778

Contingency	214,478
<b>TOTAL PROJECT COSTS</b>	<b>\$ 3,780,000</b>
Prior Years' Expenditures & Encumbrances	(289,816)
<b>REMAINING PROJECT COSTS</b>	<b>\$ 3,490,184</b>

\* Project Delivery includes \$405,688 for design and bid/award, and \$1,015,056 for inspection and construction management.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

Mobilization, Temporary Facilities and Control	\$95,554
Utility Conflict Work Allowance	50,000
Erosion Control Plan	31,790
Emergency Erosion and Sediment Control Allowance	20,000
Demolition	14,421
Signage	100,985
Site Furnishings	143,864
Site Clearing	8,950
Grading	49,413
Operation and Maintenance	2,416
Precast Concrete Paving	208,789
Rigid Paving	154,102
Decorative Metal Work	45,500
Planting Irrigation	210,024
Planting Preparation	10,752
Turf and Grasses	6,058
Plants	148,242
Storm Drainage Utilities	73,368
Exterior Stone Cladding	235,500
Site Lighting and Electrical	535,050
<b>TOTAL CONTRACT AMOUNT:</b>	<b>\$2,144,778</b>

3. SOURCE OF FUNDING: 375 – Subdivision Park Trust Fund.

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4. OPERATING COSTS: The 2022-2026 General Fund Forecast, which was released February 2021, included an estimated operating and maintenance impact for this project of \$29,000 beginning in 2022-2023, growing to \$31,000 in 2025-2026. The operating and maintenance costs and opening dates will be reviewed and updated as necessary as part of the 2023-2027 Forecast.

**BUDGET REFERENCE**

The table below identifies the fund and appropriations proposed 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	Amt. for Contract	2020-2021 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
375	415I	Pellier Park	\$3,960,000	\$2,144,778	V-438	10/20/2020 Ord. No. 30494

**CEQA**

The environmental impacts of this project were addressed in the “The Brandenburg Mixed Use Project/North San Pedro Housing Sites” Final Environmental Impact Report (FEIR) adopted by City Council Resolution No. 72170 on June 15, 2004. CEQA Clearance for this project, the Pellier Park Master Plan, was adopted as an Addendum to the FEIR in November 2019 because no new or more significant impacts beyond those identified in the FEIR were identified. (File No. PP19-046 and HP19-004).

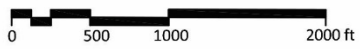
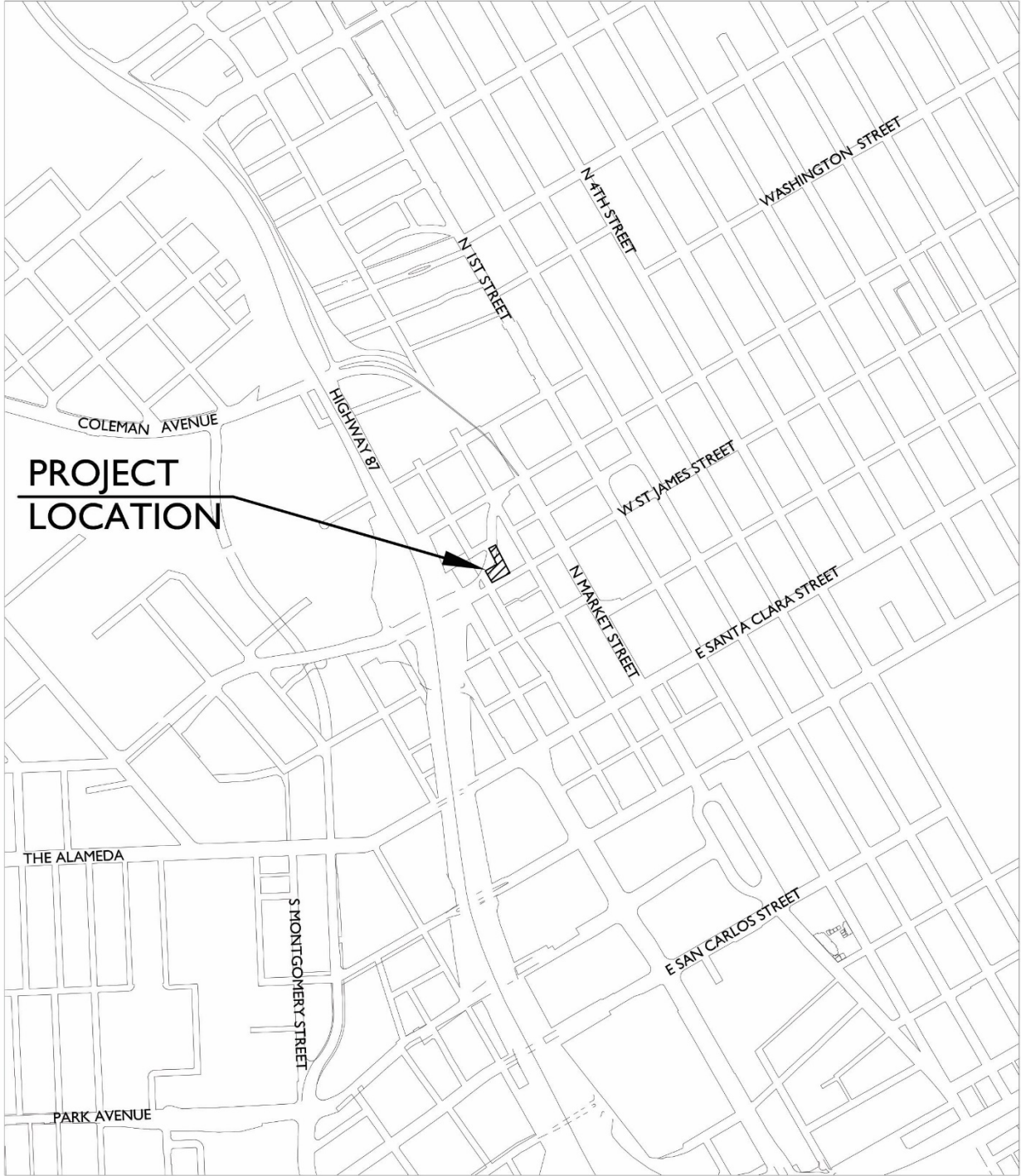
/s/  
MATT CANO  
Director of Public Works

Attachment: Location Map

For questions, please contact Katherine Brown, Deputy Director, Public Works Department, at [katherine.brown@sanjoseca.gov](mailto:katherine.brown@sanjoseca.gov).

# Location Map

## 9110 – PARK: Pellier Park Project



9110 - PARK: PELLIER PARK

LOCATION MAP

