



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch  
John Ristow

**SUBJECT:** See Below

**DATE:** December 6, 2024

Approved

Date:

12/6/2024

**COUNCIL DISTRICT: 6**

**SUBJECT: Actions Related to the 8813 – West San Carlos Street Urban Village Streetscape Improvements Project**

**RECOMMENDATION**

- a) Report on bids and award of a contract for the construction of 8813 – West San Carlos Street Urban Village Streetscape Improvements Project to the lowest responsive, responsible bidder, Redgwick Construction Co. for the base bid of \$9,263,476; and
- b) Approve a 10% contingency in the amount of \$926,347.

**SUMMARY AND OUTCOME**

The 8813 – West San Carlos Street Urban Village Streetscape Improvements Project (Project) is funded by the One Bay Area Grant program. The grant deadline to award the Project is by December 31, 2024.

Award of the contract to Redgwick Construction Co. for the construction of the Project will allow for the installation of various transportation infrastructure safety measures along West San Carlos Street. Approval of the 10% contingency will provide funding for unanticipated work that may be necessary for the proper completion of the Project.

**BACKGROUND**

The Project is located along West San Carlos Street, from I-880 to McEvoy Street, (**Attachment** – Location Map – West San Carlos Street Urban Village Streetscape Improvements.) The Project is partially funded by the One Bay Area Federal Grant - Complete Streets Competitive Program. The Project will include measures to help

reduce vehicle speeds and minimize conflicts with pedestrians and bicyclists by increasing awareness and visibility of these vulnerable users.

On October 22, 2024, City Council approved the resolution that authorized the Director of Public Works to award the Project to the lowest responsive responsible bidder in an amount not to exceed \$7,800,000. The resolution was recommended to ensure the contract can be awarded by the December 2024 federal granting agency’s delivery deadline.

**ANALYSIS**

On October 24, 2024, a total of six bids were received with the following results.

<b>Contractor</b>	<b>Base Bid</b>	<b>Variance Amount</b>	<b>Over/(Under) Percent</b>
<b>Engineer Estimate</b>	<b>\$7,754,680</b>	--	--
Redgwick Construction Co. (Oakland)	\$9,263,476	\$1,508,796	19
McGuire and Hester (Oakland) <i>(non-responsive)</i>	\$8,478,376	\$723,696	9
Granite Construction Company (Santa Clara) <i>(non-responsive)</i>	\$8,540,403	\$785,723	10
FBD Vanguard Construction, Inc. (Livermore) <i>(non-responsive)</i>	\$10,243,929	\$2,489,249	32
Granite Rock Company (San José) <i>(non-responsive)</i>	\$10,463,000	\$2,708,320	35
O'Grady Paving, Inc. (Mountain View) <i>(non-responsive)</i>	\$11,006,968	\$3,252,288	42

In accordance with the California Department of Transportation’s procurement regulations, bidders were required to submit several certification forms; an Equal Employment Opportunity certification for both the bidder and all designated subcontractors; a Public Contract Code certification for the bidder; and a Debarment and Suspension Certification for the bidder.

The bid from McGuire and Hester was deemed non-responsive for failing to submit an Equal Employment Opportunity certification for the bidder and for submitting improperly

completed Equal Employment Opportunity certifications for two of its listed subcontractors.

The bid from Granite Construction Company was deemed non-responsive for the following reasons: failing to specify a price for all line items in the Schedule of Quantities, failing to submit the bidder's California Air Resources Board certificate of reported compliance, and failing to submit the federal Equal Employment Opportunity certification form for the bidder. It should be noted that the missing price (for line item 4, Temporary Traffic Control Plan) caused a \$904,350 discrepancy between Granite Construction Company's intended bid and the one recorded above. Had the company correctly completed the Schedule of Quantities, their bid would have been third highest (\$9,444,753.30), not second.

In addition, FBD Vanguard Construction, Inc.'s bid was deemed non-responsive for failing to complete a required portion of the Subcontractors Listing form and for failing to submit the subcontractors' California Air Resources Board certificates of reported compliance. The bid from Granite Rock Company was deemed non-responsive for failing to submit the federal Equal Employment Opportunity certification form for the bidder and for failing to submit the subcontractors' California Air Resources Board certificates of reported compliance. Lastly, O'Grady Paving, Inc.'s bid was deemed non-responsive for failing to submit the federal Equal Employment Opportunity certification form for the bidder and for failing to submit the subcontractors' California Air Resources Board certificates of reported compliance.

On November 19, 2024, the City issued the Notice of Intent to Award the contract to Redgwick Construction Co. No protest was received during the five-day protest period.

#### *Bid Price Analysis*

Redgwick Construction Co. submitted the lowest responsive bid of \$9,263,476, which is 19% higher than the Engineer's Estimate. In reviewing the bid received against the Engineer's Estimate, staff recognized the impact of a longer construction duration on traffic control costs and the costs associated with constructing new green stormwater infrastructure were both underestimated, contributing to the higher than anticipated bid. Though higher than anticipated, the bid received by Redgwick Construction Co. is deemed acceptable for the scope of the Project.

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### *Responsibility Analysis*

Redgwick Construction Co. has successfully completed projects for the City of San José of similar scope, including the Mt. Pleasant Pedestrian and Bike Traffic Safety Improvement Project and the Traffic Signal Installation at 6th and Taylor Streets Project.

### *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 October 24, 2024 and again on November 13, 2024. No wage theft issues were identified.

### *Project Labor Agreement Applicability*

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is over \$1.21 million.

### *Local and Small Business Analysis*

In accordance with the California Department of Transportation's requirements, Procurement staff conducted outreach to Disadvantaged Business Enterprises. The recommended contractor is not a local business enterprise. In addition, no local business enterprises are listed as subcontractors.

### *Disadvantaged Business Enterprise (DBE) Program Requirement*

In accordance with Federal Regulations, 49 CFR Part 26, a DBE goal of 21% was established for this Project. Redgwick Construction Co. met and exceeded the 21% goal and committed to \$4,152,920 (44.8%) DBE participation.

## **EVALUATION AND FOLLOW-UP**

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

**COST SUMMARY/IMPLICATIONS**

Operation and maintenance costs associated with this Project are allocated in the Department of Transportation’s Operating Budget. The source of funding for this Project is the Building and Structure Construction Tax Fund.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$ 4,009,246
Construction	9,263,476
Contingency	926,347
<b>TOTAL PROJECT COSTS</b>	<b>\$14,199,069</b>
Prior Year’s Expenditures	2,447,600
<b>TOTAL REMAINING PROJECT COSTS</b>	<b>\$11,751,469</b>

\* Project delivery includes \$2,461,958 for planning and design services and \$1,547,288 for construction management, inspection services, survey, materials lab services, utilities, and project closeout costs.

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

Mobilization	\$637,675
Traffic Control	841,200
Demolition	770,000
Landscape Improvement	724,281
Traffic Signals Improvement	3,694,360
Civil Improvement	2,595,960
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$9,263,476</b>

**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.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2024-2025 Capital Budget Page	Last Budget Action (Date, Ord. No.)
429	405J*	W San Carlos Urban Village	\$10,345,000	\$9,263,476	989	10/22/2024 Ord. No. 31130

\*A total of \$10,345,000 is allocated in the Building and Structure Construction Tax Fund in 2024-2025. Additional costs of approximately \$1.5 million are expected in 2025-2026 for project delivery. The additional funds required will be programmed as part of the development of the 2026-2030 Proposed Traffic Capital Improvement Budget and are subject to appropriation by City Council.

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## **COORDINATION**

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

## **PUBLIC OUTREACH**

During the Project preliminary phase, the Department of Transportation staff held a community meeting in conjunction with the West San Carlos Urban Village community meeting to present information about the Project to the public and solicit feedback. City staff also informed business owners regarding proposed driveway closures through verbal and written correspondence. Additionally, staff published the Project's information on its webpage<sup>1</sup> to continue informing the community about the Project's progress.

Staff and the contractor will conduct additional outreach to the affected neighborhoods and businesses before the start of and during construction.

This memorandum will be posted on the City's Council Agenda website for the December 17, 2024 City Council meeting.

## **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

## **CEQA**

Categorically Exempt, File No. ER23-009, CEQA Guidelines Section 15301, Existing Facilities.

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<sup>1</sup> <https://www.sanjoseca.gov/your-government/departments-offices/transportation/projects/west-san-carlos-urban-village-streetscape-improvement-project>

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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/

MATT LOESCH

Director of Public Works

/s/

JOHN RISTOW

Director of Transportation

For questions, please contact Mathew Nguyen, Public Works Deputy Director, at [Mathew.Nguyen@sanjoseca.gov](mailto:Mathew.Nguyen@sanjoseca.gov) or Jessica Zenk, Transportation Deputy Director, at [Jessica.Zenk@sanjoseca.gov](mailto:Jessica.Zenk@sanjoseca.gov).

**ATTACHMENTS**

Attachment – Location Map – West San Carlos Street Urban Village Streetscape Improvements

# West San Carlos Street Urban Village Streetscape Improvements

