



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: SEE BELOW

DATE: May 22, 2023

Approved

Date

5/31/23

COUNCIL DISTRICT: 4

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 9128 –
RIVER OAKS REGIONAL STORMWATER CAPTURE PROJECT**

RECOMMENDATION

- a) Report on bids and award of a contract for the construction of 9128 – River Oaks Regional Stormwater Capture Project to the lowest responsive, responsible bidder, Andrew M. Jordan Inc. dba A&B Construction, in the amount of \$10,999,618; and
- b) Approve a 10% contingency in the amount of \$1,099,962.

SUMMARY AND OUTCOME

This memorandum summarizes the bids received and requests award of a construction contract for the 9128 – River Oaks Regional Stormwater Capture Project (Project). Award of this construction contract to Andrew M. Jordan Inc. dba A&B Construction will enable the Project to construct a five-acre multipurpose regional stormwater capture facility which will meet goals established for the City of San José by the Green Stormwater Infrastructure Plan and the San Francisco Bay Regional Water Quality Control Board. Approval of a 10% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

BACKGROUND

On November 6, 2018, the voters of San José approved ballot Measure T -The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond. The measure authorizes the City to issue up to \$650 million in general obligation bonds for infrastructure

projects. Within the Measure T program, approximately \$25 million is allocated to clean water projects.

In September 2019, City Council approved the Green Stormwater Infrastructure Plan which describes the City's approach to integrating green stormwater infrastructure into drainage infrastructure to ensure stormwater runoff is treated or infiltrated rather than directed to creeks untreated. The River Oaks Regional Stormwater Project is included in the City Council-approved Green Stormwater Infrastructure Plan and will be the first publicly funded regional stormwater project in the City.

On August 25, 2020, the City Council adopted a resolution authorizing the City Manager to negotiate and execute a Local Project Sponsor Agreement with the Association of Bay Area Governments to effectuate a \$3,203,550 grant with City matching funds of 70% for the total project cost relating to the River Oaks Regional Stormwater Capture Project. The 70% matching funds would come from the Measure T Program – Clean Water and Green Infrastructure Projects.

In May 2022, the San Francisco Bay Regional Water Quality Control Board issued the Municipal Regional Stormwater National Pollution Discharge Elimination System (NPDES) Permit which became effective July 1, 2022. Provision C.3.j.ii.(2) of the Municipal Regional Stormwater NPDES Permit requires all permittees, including the City, to implement green infrastructure projects within its jurisdiction which are not already defined as Regulated Projects pursuant to Provision C.3.b. This provision requires the City to treat five acres of impervious surfaces by June 30, 2027. This Project will allow the City to meet the goals established by the Green Stormwater Infrastructure Plan and the San Francisco Bay Regional Water Quality Control Board Municipal Regional Stormwater NPDES Permit.

This Project will capture and treat stormwater at an existing detention basin site prior to discharge to the Guadalupe River. The intention is to provide multiple benefits such as improving stormwater quality; maintaining flood control; providing public access to education, recreation, and aesthetic amenities; and enhancing nearby habitat. This Project is located along the Guadalupe River in the vicinity of Riverview Parkway (see the **Attachment** – Location Map).

On March 15, 2021, City Council adopted the Project's California Environmental Quality Act (CEQA) and accepted the Planning Study Report for the Project.

Construction is tentatively scheduled to begin in August 2023 with substantial completion in May 2024.

ANALYSIS

Bids were opened on May 11, 2023, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$9,800,000	---	---
Andrew M. Jordan Inc. dba A&B Construction (Oakland, CA)	\$10,999,618	\$1,199,618	12
Gordon N. Ball, Inc (Alamo, CA).	\$11,195,493	\$1,395,493	14
Granite Rock Company (San José, CA)	\$14,320,716	\$4,520,716	46

The lowest bid submitted by Andrew M. Jordan Inc. dba A&B Construction is 12% higher than the Engineer's Estimate. The higher than estimated bid can be attributed to a general contractor's assumed risk of the following item: significant material and supply chain shortages and price fluctuation have impacted construction schedules and material/construction costs.

Andrew M. Jordan Inc. dba A&B Construction is currently the contractor for the City's Public Works General Engineering Contract for Pipe Facilities 2022-2024 Project. Andrew M. Jordan Inc. dba A&B Construction recently completed projects of similar scope for San Francisco Public Utilities Commission, the City and County of San Francisco, and the Emeryville Public Market in the city of Emeryville. Additionally, staff conducted reference checks on statement of bidder's experience and Andrew M. Jordan Inc. dba A&B Construction received favorable responses for its performance.

San José Municipal Code Section 27.04.050 provides a standard 10% contingency for public works contracts except those involving the renovation of a building or buildings. The standard contingency of 10%, is appropriate for this Project.

Project Labor Agreement Applicability

The City's Project Labor Agreement is applicable to this Project because the Engineer's Estimate is over \$1.2 million.

Local and Small Business Outreach

Procurement staff used Biddingo to outreach to local and small business enterprises. Chapter 4.12 of the San José 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 12,219 vendors, and documents were downloaded by 39 vendors, five of which were located within Santa Clara County and therefore local. The recommended contractor is not a local or a small business enterprise. However, AAA Fence Company and Radius Earthwork are listed as subcontractors and are small and local businesses located in the city of Santa Clara. The approximate value of work for AAA Fence Company is \$556,400 for the installation of decorative metal fence, art panels and gates. The approximate value of work for Radius Earthwork is \$196,500 for asphalt concrete paving and dikes.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

This project has no fiscal impacts to the General Fund. Future operation and maintenance performed by Department of Transportation and Parks, Recreation, and Neighborhood Services remains unchanged.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$3,216,291
Construction	10,999,618
Contingency	1,099,962
TOTAL PROJECT COSTS	\$15,315,871
Prior Year's Expenditures and Encumbrances	\$1,507,372
TOTAL REMAINING PROJECT COSTS	\$13,808,499

* Project delivery includes \$2,476,291 for Design Services and \$740,000 for Construction Management and Inspection Services.

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

Mobilization and Demobilization	\$1,010,000
Demolition	1,608,010
Earthworks	1,247,716
Sediment Forebay	1,545,000
Biotreatment Basin	3,233,885

Pump Station Modifications	472,350
Site Work and Park Amenities	1,088,630
Planting and Irrigations	794,027
TOTAL CONTRACT AMOUNT	\$10,999,618

3. SOURCE OF FUNDING: Storm Sewer Capital Fund (Fund 469)
Measure T – Clean Water Projects (Fund 498)

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 #	Appn. Name	Total Appn	Amt. for Contract	2023-2024 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
469	422S	River Oaks Stormwater Capture Project	\$3,204,000	\$3,203,550	211	N/A
498	414V	Measure T – Clean Water Projects	\$16,001,739	\$7,796,068	209	N/A

* The 2023-2024 Proposed Capital Budget was released on April 26, 2023 is scheduled to be reviewed on June 13, 2023 and adopted on June 20, 2023 by the City Council.

COORDINATION

This Project and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Departments of Environmental Services; Parks, Recreation and Neighborhood Services; Planning, Building, and Code Enforcement; and Transportation.

PUBLIC OUTREACH

Three public outreach meetings were conducted in March 2020, May 2020, and March 2022 with the River Oaks community during the feasibility and early design phases to gather input on the Project. In addition, this memorandum will be posted on the City's Council Agenda website for the June 13, 2023 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

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COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Mitigated/Negative Declaration, File No. ER20-186 River Oaks Stormwater Capture Project

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.

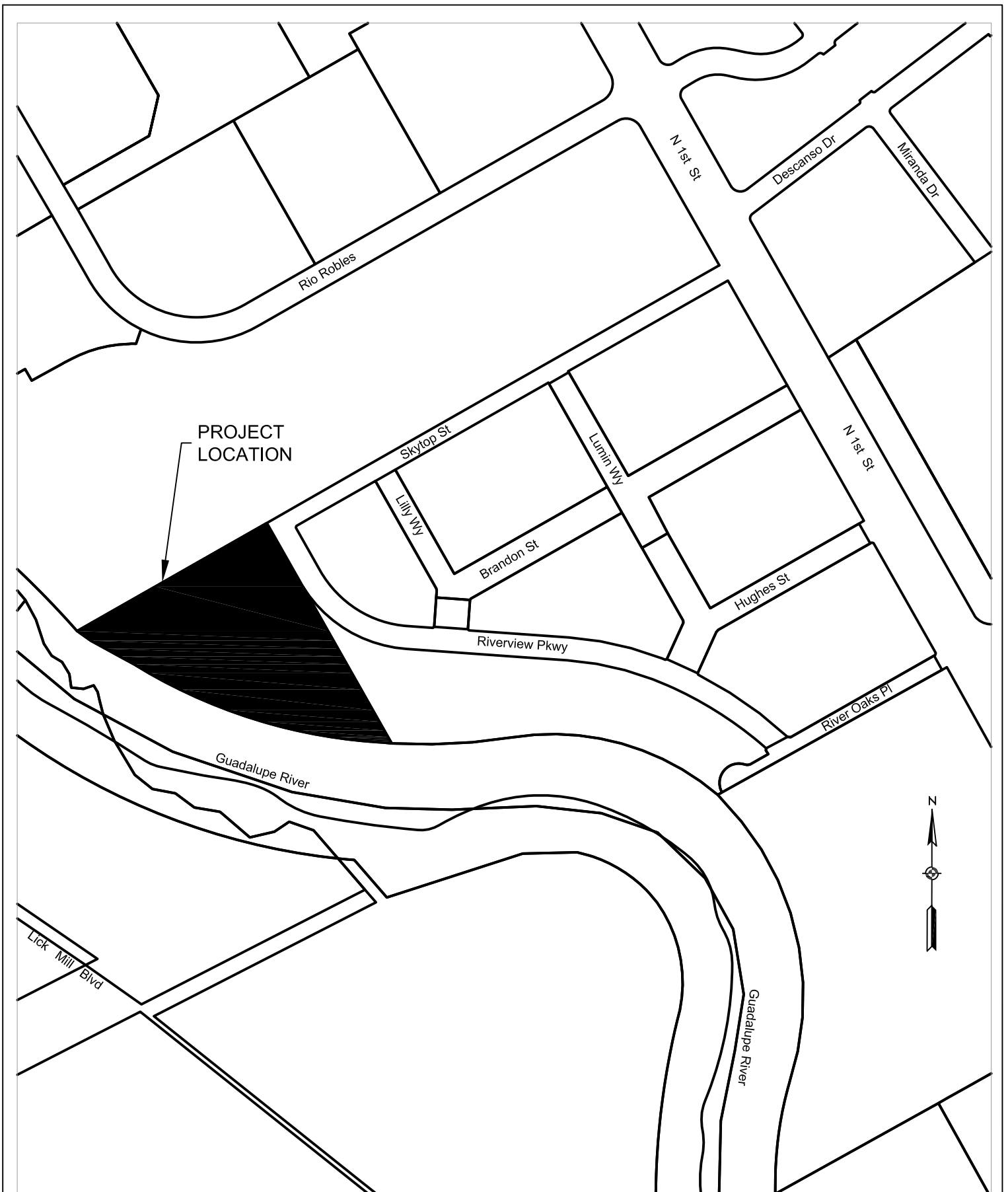
/s/

MATT LOESCH

Acting Director of Public Works

For questions, please contact Mathew Nguyen, Public Works Deputy Director, at Mathew.nguyen@sanjoseca.gov or (408) 535-8384.

ATTACHMENT – Location Map



9224 -1 : RIVER OAKS REGIONAL
STORMWATER CAPTURE PROJECT

LOCATION MAP
NOT TO SCALE