

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, 8, 10

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 10086
ALMADEN, BERRYESSA, AND EVERGREEN COMMUNITY CENTERS
IMPROVEMENT PROJECT**

RECOMMENDATION

- (a) Report on bids and award of a contract for the construction of 10086 - Almaden, Berryessa, and Evergreen Community Centers Improvement Project to the lowest responsive, responsible bidder, City Building, Inc., in the amount of \$1,198,780, and;
- (b) Approve a 15 % construction contingency in the amount of \$179,817.

SUMMARY AND OUTCOME

This 10086 - Almaden, Berryessa, and Evergreen Community Centers Improvement Project supports the Neighborhood Services City Service Area goal to extended emergency operations, including the coordination of mass care and shelter facilities, which will provide basic human needs, such as food, water, shelter, and security. Approval of this contract allows for the construction of the project which will prepare the community centers to be shelter-ready sites during a disaster. Approval of the standard 15 % contingency will provide funding for any unanticipated work necessary for the proper construction or completion of the project.

BACKGROUND

On November 6, 2018, the voters of San José passed 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. Among the Measure T program, approximately \$13 million is allocated to the Community Center/Emergency Shelters program.

The City's Emergency Operation Plan includes the topic of extended emergency operations, including the coordination of mass care and shelter facilities. These facilities are designed to provide basic human needs, including food, water, shelter, and security. In 2019, staff conducted a study with the objective of determining the feasibility of using existing community centers as temporary emergency shelters during a disaster. Staff assessed the existing community centers throughout the City to determine what essential needs/upgrades were required at the sites to be considered American Red Cross Shelter Ready sites. The assessment was done based on American Red Cross' Sheltering Handbook (May 2012) and Federal Emergency Management Agency's 453 Risk Management Series Design Guidance for Shelters and Safe Rooms (May 2006).

First, staff had to determine the number of people that could be served at each location during a disaster. Two response scenarios were evaluated in estimating the population that can be served: 1) daytime programs like feeding or local assistance centers, and 2) overnight sheltering capacity. The evaluation considered only the capacity of those portions of the buildings that would be used for sheltering and did not consider any space outside the structures that may be used for temporary shelters. As a result of this evaluation, 10 community centers were selected to be emergency Shelter Ready sites: Almaden, Bascom, Berryessa, Camden, Cypress, Evergreen, Mayfair, Roosevelt, Southside, and Seven Trees.

To determine the prioritization, staff evaluated each community center using an equity screening. For this evaluation, staff identified the percentage of the population living in poverty and the population density within a one-mile radius surrounding each community center. Recognizing that in some circumstances, sheltering or providing services outdoors may be needed, additional consideration was given to community centers that have a park adjacent to the building.

As a result, four priority groups were established to determine the order in which projects would be completed:

Priority 1 – Bascom, Mayfair, Roosevelt, and Seven Trees Community Centers

Priority 2 – Camden Community Center

Priority 3 – Evergreen, Almaden, and Berryessa Community Centers

Priority 4 – Cypress and Southside Community Centers

Additional information around the priority setting and equity screening was provided in the June 15, 2021 Measure T Status Report to City Council linked below for reference¹.

¹ <http://files.constantcontact.com/7a210436601/dbd7436a-7b55-4264-b1e4-e25cc8a0b8a3.pdf>

The scope of work for this project includes an upgrade of the Evergreen, Almaden, and Berryessa Community Centers (See **Attachment** – Location Map) to meet the essential requirement to be an emergency Shelter Ready site per the aforementioned American Red Cross and the Federal Emergency Management Agency requirements. The upgrades include providing backup power generator connection readiness for each site. During emergencies, portable generators will be connected to the installed infrastructure to provide power to the entire building at both the Berryessa and Evergreen locations, and at the Almaden Community Center, the portable generator will provide power to the portable air conditioning units, temporary lighting, and other shelter amenities inside the gymnasium. In addition, washers and dryers will be permanently installed at each site. At the Berryessa and Evergreen Community Centers, the scope of work includes the installation of portable storage units for emergency supplies.

ANALYSIS

Bids were opened on April 20, 2023 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
City Building, Inc. (San Mateo)	\$1,198,780	(\$201,220)	(14)
W.E. Lyons Construction Co. (Walnut Creek)	\$1,203,443	(\$196,557)	(14)
Engineer's Estimate	\$1,400,000	---	---
Rodan Builders, Inc. (Hayward)	\$1,858,500	\$458,500	33

The lowest bid submitted by City Building Inc. was 14 % lower than the Engineer's Estimate. Staff performed bid analysis on the bid results and determine that the variance is likely attributed to the contractor's familiarity with the project. City Building, Inc. was recently awarded the contract for the construction of the 9982 – Bascom, Mayfair, Roosevelt, and Seven Trees Community Centers Improvement Project by City Council in April 2023, which involves similar scopes of work. Staff considers the bid submitted by City Building, Inc. for this project to be reasonable for the work involved and recommend award of the contract.

City Building, Inc. does not have experience in completing projects for the City prior to the recently awarded aforementioned project in April 2023. However, City Building, Inc completed similar new building construction and/or building renovation work for Sandia National

Laboratories in Livermore and Tishman Speyer Properties in San Francisco. Staff conducted reference checks on these projects and City Building, Inc. received favorable responses regarding its performance.

Construction is anticipated to begin in September 2023, with an anticipated completion in January 2025. Final project closeout and beneficial use for all three sites is expected by February 2025.

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 15 % on public works contracts involving the renovation of a building or buildings. The standard contingency of 15 %, which 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

In order to facilitate small and local business participation on this project, 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 a "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 22 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, Axis Mechanical Inc. is listed as a subcontractor and is a local business enterprise and will be performing an estimated \$400,000 in mechanical work on the project.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

This project supports the Neighborhood Services City Service Area goal to extended emergency operations, including the coordination of mass care and shelter facilities. The construction of the Almaden, Berryessa, and Evergreen Community Centers Improvement Project which will prepare the community centers to be shelter-ready sites during a disaster. The source of funding

for this project is through the 490 Public Safety and Infrastructure Bond. This project will have no net operating and maintenance costs.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$625,000
Construction	1,198,780
Contingency	179,817
TOTAL PROJECT COSTS	\$2,003,597
Prior Years' Expenditures and Encumbrances	(\$1,741)
TOTAL REMAINING PROJECT COSTS	\$2,001,856

* Project delivery includes \$230,000 for Design Services and \$395,000 for Construction Management and Inspection Services.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Mobilization and Demobilization	\$43,280
Site Surveys, Deferred Submittals, and Permitting	13,400
Almaden Community Center Improvements	376,000
Berryessa Community Center Improvements	318,500
Evergreen Community Center Improvements	384,300
Start-Up, Commissioning, and Training	63,300
TOTAL BASE BID AMOUNT	\$1,198,780

BUDGET REFERENCE

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

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract	2022-2023 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
498	418K	Measure T - Community Center / Emergency Shelters	\$6,274,000	\$1,198,780	749	10/18/2022 Ord. No. 30833

HONORABLE MAYOR AND CITY COUNCIL

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COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 13, 2023 City Council Meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Categorically Exempt, File No. ER23-032. CEQA Guidelines Section 15301, Existing Facilities.

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 Sal Kumar, Interim Deputy Director of Public Works, at Sal.kumar@sanjoseca.gov or (408) 408-8300.

Attachment – Location Map

Attachment A Location Map

10086-ALMADEN, BERRYESSA, AND EVERGREEN COMMUNITY CENTERS IMPROVEMENT PROJECT

