

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Jacky Morales-Ferrand
Margaret McCahan

**SUBJECT: 8632 – HORACE MANN AND
WASHINGTON NEIGHBORHOOD
GREEN ALLEYWAYS IMPROVEMENTS**

DATE: August 9, 2018

Approved

Date

8/10/18

COUNCIL DISTRICT: 3

RECOMMENDATION

- (a) Report on bids and award the contract for the 8632 – Horace Mann and Washington Neighborhood Green Alleyways Improvements Project to the low bidder, Wattis Construction Company Inc., in the amount of \$1,057,550 and approve a contingency in the amount of \$105,755.
- (b) Adopt the following 2018-2019 Appropriation Ordinance amendments in the Community Development Block Grant Fund:
 - (1) Decrease the Unrestricted Ending Fund Balance appropriation in the amount of \$571,000;
 - (2) Decrease the appropriation to the Housing Department for the Neighborhood Infrastructure Improvements in the amount of \$484,000; and
 - (3) Increase the appropriation to the Public Works Department for the Neighborhood Infrastructure Improvements in the amount of \$1,055,000.

OUTCOME

The recommended actions will improve pedestrian safety in low/moderate income neighborhoods while enabling the City to enhance water quality and reduce the quantity of the stormwater runoff reaching the creeks. Approval of a 10 percent contingency will provide funding for any unanticipated work necessary for the proper completion of the project.

BACKGROUND

Public Works collaborated with the Department of Transportation to determine a complete list of City owned and maintained alleyways where the roadway pavement has significantly deteriorated. Based on this list, Public Works has coordinated with Housing Department and

August 9, 2018

Subject: Horace Mann and Washington Neighborhood Green Alleyways Improvements

Page 2

identified two (2) urban alleyways located in the low/moderate-income census tract that would qualify for use of federal Community Development Block Grant (CDBG) funds.

These alleyways are near the intersection of Julian and North 9th Streets (Horace Mann Neighborhood) and Humboldt and Sherman Streets (Washington Neighborhood). A field investigation of these alleyways revealed a high use by residents based on numerous driveway and pedestrian access points to the rear of properties. These alleyways also show a lack of drainage resulting in water accumulation causing potential hazards to residents and pedestrians walking along the alleyways.

The Horace Mann and Washington Neighborhood Green Alleyways Improvements will use a low impact development (LID) approach to reduce the stormwater runoff on the two (2) urban alleyways and improve accessibility for the residents. This will entail the use of permeable pavers and infiltration trenches to capture and infiltrate stormwater which will remove pollutants and reduce urban runoff flows into stormwater management features and subsequently will provide long-term water quality benefits and improve roadway and pedestrian safety.

The scope of the project includes the installation of approximately 3,000 square feet of permeable pavers underground infiltration trenches. The project removes approximately 22,000 square feet of sediment sources by replacing deteriorated asphalt with a durable surface of new asphalt that will drain towards approximately 1,000 linear feet of infiltration trenches located within the two (2) urban alleyways. Three (3) new streetlights will be installed at the Julian and North 9th Street alleyway.

Construction is scheduled to commence in October 2018, with completion expected in January 2019.

ANALYSIS

Bids for this Project were opened on July 5, 2018, with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Wattis Construction Company, Inc. (San José)	\$1,057,550	(\$591,365)	(36)
Redgwick Construction Company (Oakland)	\$1,325,711	(\$323,204)	(20)
Granite Rock Company (San José)	\$1,360,775	(\$288,140)	(18)

Grade Tech, Inc. (Castro Valley)	\$1,528,812	(\$120,103)	(7)
O’Grady Paving, Inc. (Mountain View)	\$1,549,633	(\$99,282)	(6)
Joseph J. Albanese, Inc. (Santa Clara)	\$1,574,199	(\$74,716)	(4)
Engineer’s Estimate	\$1,648,915	---	---
Galeb Paving, Inc. (Saratoga)	\$2,183,928	\$535,013	32

The Engineer’s Estimate accounted for a steady trend of rising construction costs experienced over the last few years. The low bid submitted by Wattis Construction Company, Inc. is 36% percent under the Engineer’s Estimate. The lower bid can be attributed to the very competitive bidding environment. In addition, Wattis Construction Company Inc. has completed a similar alleyway improvements project in the City of San José four years ago.

Wattis Construction Company Inc. has been in the construction business for more than 30 years, and has constructed numerous roadway and site improvement projects in California, including the City of San José, County of Santa Clara, and other cities in northern California. Wattis Construction Company Inc. is a small and local business. The recent projects Wattis completed for the City of San José include:

- Ocala Avenue Bike and Pedestrian Improvements Project (\$1,479,017)
- The Alameda – A Plan for the Beautiful Way Project Phase 1 (\$4,016,757)
- Downing Avenue Sidewalk Improvement Project (\$399,393)
- Martha Gardens Green Alleys Pilot Project (\$834,868)

Staff also recommends a contingency of 10 percent to address potential issues related to unforeseen conditions. This contingency meets the standard contingency established by Council Policy for this type of public works project.

EVALUATION AND FOLLOW-UP

This Project is currently scheduled to be completed by January 2019. No additional follow up action with the City Council is expected. Once the project is completed, the Project will be included in the FY 18-19 Consolidated Annual Performance and Evaluation Report (CAPER).

PUBLIC OUTREACH

To solicit contractors, this project was listed on BidSync and advertised in the *San José Post Record*, *Vietnamese Newspaper*, *Spanish Newspaper*, *Chinese Newspaper* and *Tagalog Newspaper*. The complete bid package and project information for all Department of Public Works construction projects are available on BidSync for interested contractors, contractor organizations, and builders' exchanges. This memorandum will be posted on the City's website for the August 21, 2018, City Council meeting. Staff distributed a project information sheet to residents and business in the neighborhood. In addition, the contractor will notify, in writing, residents, and business and schools within a 300 feet radius of the project limits a minimum of two (2) times prior to start of construction.

COORDINATION

This Project and memorandum were coordinated with the City Attorney's Office, Department of Transportation, and Planning, Building, and Code Enforcement Department.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This project aligns with the City's stormwater urban runoff policies and regulations.

COST SUMMARY/IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$1,649,778
	Project Delivery	\$486,473 *
	Construction	\$1,057,550
	Contingency (10 %)	\$105,755
	TOTAL PROJECT COSTS	\$1,649,778
	Prior Year Expenditures	\$14,978
	REMAINING PROJECT COSTS	\$1,634,800

*Project Delivery includes \$227,440 for Design Services and \$259,033 for Survey and Materials Lab Services, Construction Management, and Inspection Services.

2. COST ELEMENTS OF CONTRACT:

Mobilization, Traffic Control and other Miscellaneous Work	\$94,005
Storm Drain Facilities	\$452,671
Asphalt Concrete Pavement	\$301,800
Concrete Work	\$162,122
Electrical Work	\$46,952
TOTAL AGREEMENT/CONTRACT AMOUNT	\$1,057,550

3. SOURCE OF FUNDING: Community Development Block Grant Fund (Fund 441).

Additional funding of \$1,055,000 is required to complete the project. Of this amount, \$484,000 will be reallocated from the Neighborhood Infrastructure Improvements appropriation to align with the 2018-2019 Annual Action Plan, which was completed after the release of the 2018-2019 Proposed Operating Budget. An additional \$571,000 is required due to the fact that the original project budget was developed prior to development of the Engineer's Estimate; this amount will be reallocated from the Unrestricted Ending Fund Balance.

4. FISCAL IMPACT: There are no anticipated operating and maintenance impacts for this project.

BUDGET REFERENCE

The table below identifies the fund and appropriations 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	Current Total Appn.	Rec. Budget Action	Amt. for Contract	Amt. for Project Delivery/Contingency	2018-2019 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
441	7483	Public Works Neighborhood Infrastructure Improvements	\$580,000	\$1,055,000	\$1,057,550	\$522,450	X-16	06/19/18, 30124
441	7482	Neighborhood Infrastructure Improvements	\$3,000,000	(\$484,000)	N/A	N/A	X-16	06/19/18, 30124
441	8999	Unrestricted	\$2,311,507	(\$571,000)	N/A	N/A	X-16	06/19/18, 30124

*The 2018-2019 Proposed Operating Budget was adopted June 19, 2018.

HONORABLE MAYOR AND CITY COUNCIL

August 9, 2018

Subject: Horace Mann and Washington Neighborhood Green Alleyways Improvements

Page 6

CEQA

Exempt, File No. PP17-056.

/s/

MATT CANO

Director of Public Works

A handwritten signature in cursive script, appearing to read "Jan [unclear] for", is written over the printed name of Margaret McCahan.

MARGARET McCAHAN

Budget Director

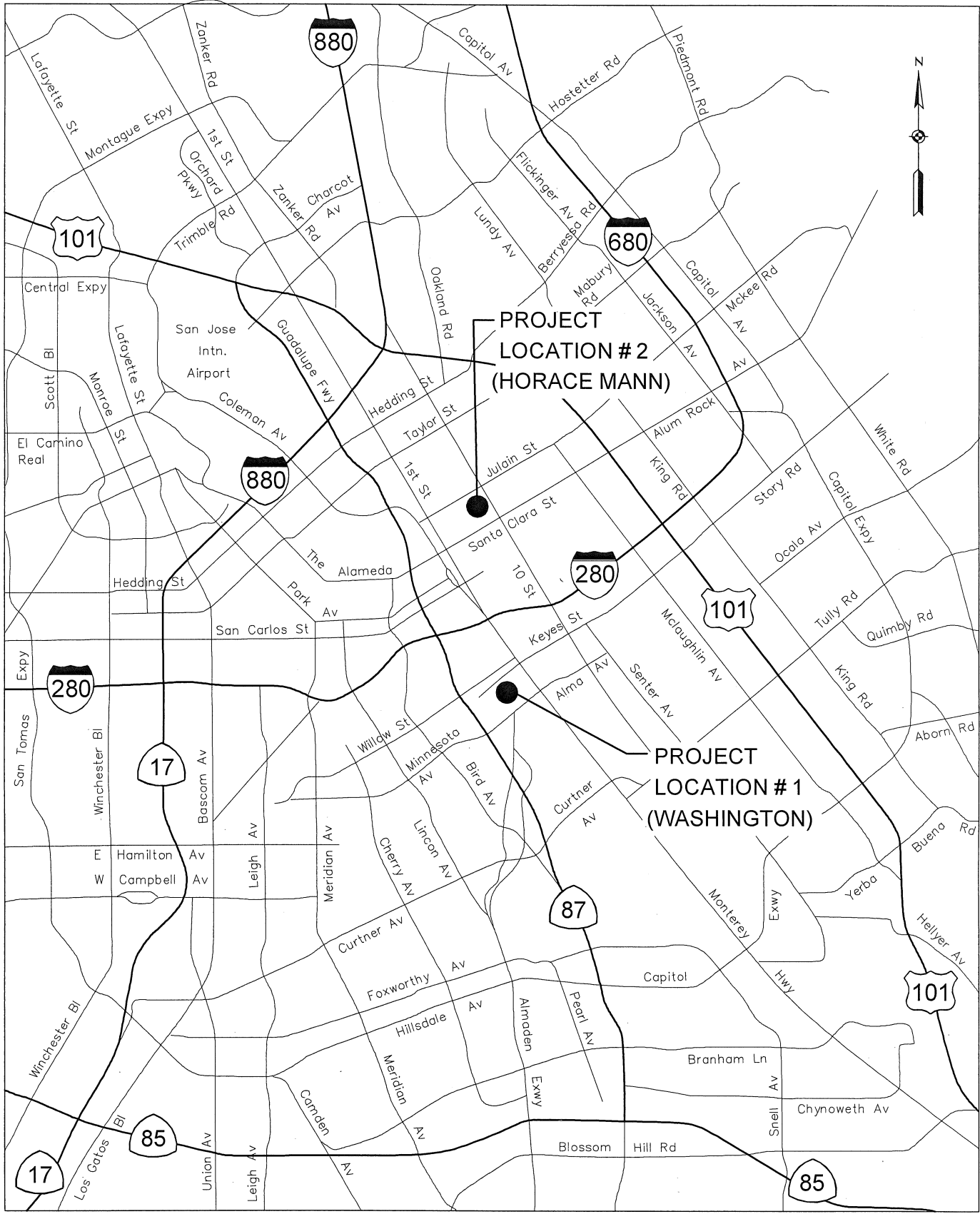
/s/

JACKY MORALES-FERRAND

Director of Housing

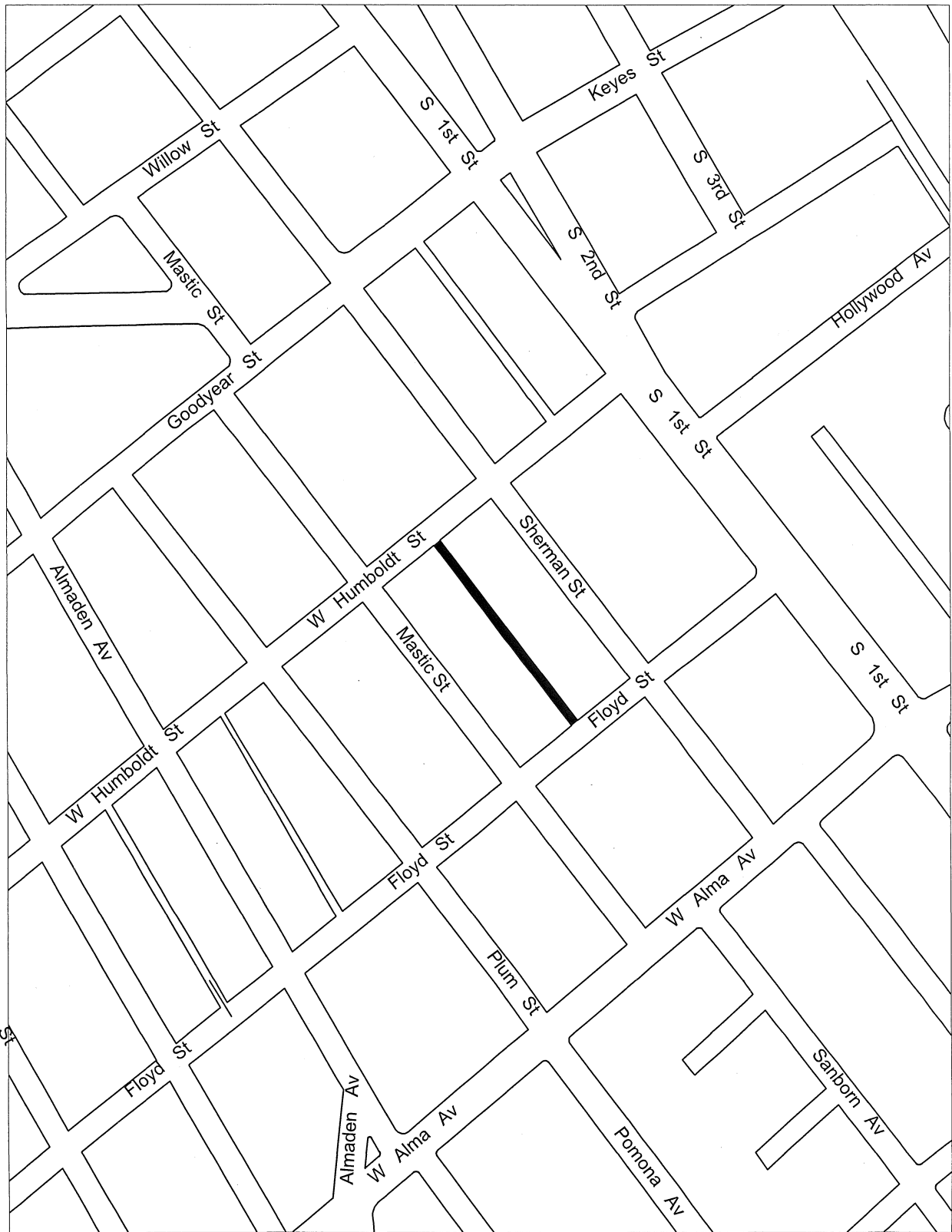
Attachment: Location Map

For questions, please contact Michael O'Connell, Deputy Director, Department of Public Works at (408) 535-8300.



8632 - HORACE MANN AND WASHINGTON NEIGHBORHOOD
 GREEN ALLEYWAYS IMPROVEMENTS
 VICINITY MAP

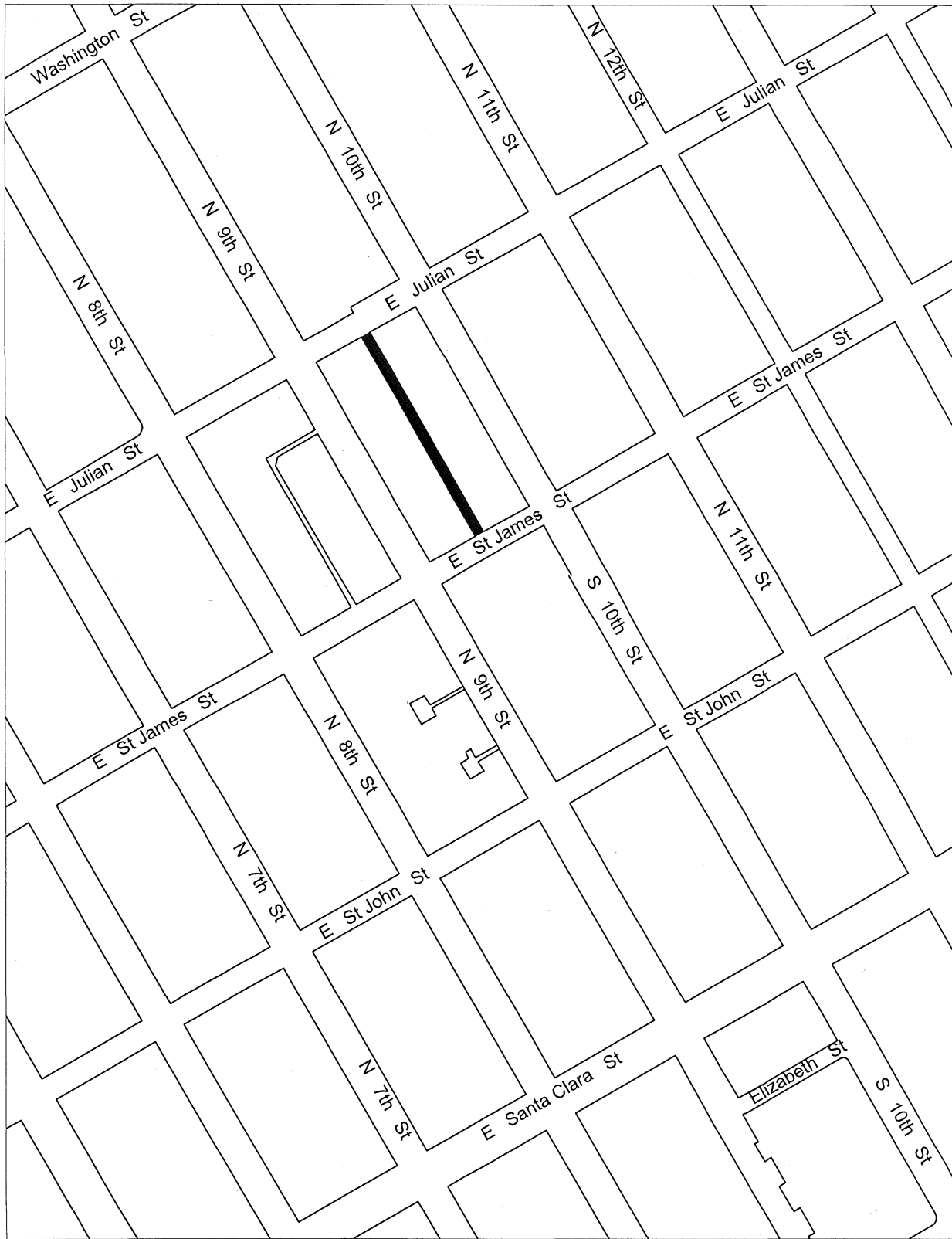
LOCATION MAP
 NOT TO SCALE



PROJECT LOCATION

**8632 - HORACE MANN AND WASHINGTON NEIGHBORHOOD
GREEN ALLEYS IMPROVEMENTS
LOCATION 1 (WASHINGTON NEIGHBORHOOD)**

**LOCATION MAP
NOT TO SCALE**



 PROJECT LOCATION

**8632 – HORACE MANN AND WASHINGTON NEIGHBORHOOD
GREEN ALLEYWAYS IMPROVEMENTS
LOCATION 2 (HORACE MANN NEIGHBORHOOD)**

**LOCATION MAP
NOT TO SCALE**