CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: 7541- IRIS CHANG PARK

DATE: September 10, 2018

Approved D. DeSyl

Date 9/20/18

COUNCIL DISTRICT: 4

RECOMMENDATION

Report on bids and award of contract for the 7541-Iris Chang Park project to the low bidder, Suarez & Munoz Construction, Inc., for the base bid and Bid Alternate No. 1 in the total amount of $1,837,000 and approval of a contingency in the amount of $92,000.

OUTCOME

Award of the construction contract to Suarez & Munoz Construction, Inc. will enable the Iris Chang Park Project to proceed. Approval of a five percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

The Iris Chang Park site is approximately 2.6-acres located in north San Jose at the eastern end of Epic Way, adjacent to Coyote Creek Trail. The site was part of the former Cadence Design Systems campus that is being redeveloped into multi-family residential housing. The project site was dedicated to the City under the Parkland Dedication Ordinance (PDO) for the planned development of the (545-575) River Oaks Parkway Project to fulfill its PDO obligation. In addition to the land dedication of the undeveloped park site, the residential development also paid in-lieu fees for master planning and development of the park site.

Previously referred to as Epic Park or Essex Park, it was renamed Iris Chang Park through the naming process for City-owned land and facilities on February 24, 2015.

Community meetings were held on November 12, 2015, January 13, 2016, and February 9, 2016, to solicit community input and feedback regarding design concepts and ideas. At the community meeting on February 9, 2016, the community soundly endorsed the recommended concept design for the park.

The project site had a hardpan soil issue which initially made the site unsuitable for park and landscape use. The project went on hold from September 2016 to July 2017 while staff negotiated an agreement with the developer to off-haul 18" of soil before the city accepted the land. The project went on hold again in August 2017 when the site was considered for a water well project by PRNS and ESD. Staff issued an additional service order to have the consultant redesign the park to accommodate the water well installation. In November 2017, PRNS gave the direction to proceed without the water well and staff coordinated with the consultant to complete the construction documents using the previous design.

The scope of work for the base bid includes construction of a new park with earthwork, excavation, and export of lime-treated soil, import soil, grading, site drainage, installation of paths, seating areas, water fountains, bike racks, public art, benches, trash receptacles, signage, planting and irrigation system. The scope of work for the Bid Alternate No. 1 is site lighting. In addition to the base bid with Bid Alternate No. 1 scope of work, there is Bid Alternate No. 2, which is to install the irrigation system with more drip system coverage. PRNS has determined to not to include Bid Alternate No. 2 because the values of this bid are higher than anticipated. Construction is scheduled to begin in November 2018 with completion in August 2019.

ANALYSIS

Bids were opened on August 9, 2018 with the following results:

Contractor	Base Bid	Variance Amount	Over/(Under) Percent
Suarez & Munoz Construction, Inc. (Hayward)	$1,727,000	(334,000)	(16.2)
Robert A. Bothman, Inc. (Santa Clara)	1,975,000	(86,000)	(4.2)
Star Construction, Inc. (San Bruno)	2,016,000	(45,000)	(2.2)
Engineer's Estimate	**2,061,000**	--	--
D-Line Constructors, Inc. (Oakland)	2,363,000	302,000	14.7

The bid results of the bid alternates are as follows:

Contractor	Bid Alt. No. 1	Bid Alt. No. 2
Suarez & Munoz Construction, Inc. (Hayward)	$110,000	$54,000
Engineer's Estimate	**146,449**	**28,000**
Robert A. Bothman, Inc. (Santa Clara)	88,230	62,000
Star Construction, Inc. (San Bruno)	106,000	280,000
D-Line Constructors, Inc. (Oakland)	121,000	(5,000)

Total amount of base bid and Bid Alternate No. 1 from each bidder are as follows:

Contractor	Base Bid	Bid Alt. No. 1	Total
Suarez & Munoz Construction, Inc. (Hayward)	$1,727,000	$110,000	1,837,000
Robert A. Bothman, Inc. (Santa Clara)	1,975,000	88,230	2,063,230
Star Construction, Inc. (San Bruno)	2,016,000	106,000	2,122,000
Engineer's Estimate	**2,061,000**	**146,449**	**2,207,449**
D-Line Constructors, Inc. (Oakland)	2,363,000	121,000	2,484,000

Per the formula provided in Special Provisions 3-1.01D in the Bid Documents, staff considered the base bid with Bid Alternate No. 1 to determine for the low bid. Suarez & Munoz Construction, Inc. is the low bidder with the lowest total amount of base bid with Bid Alternate No. 1.

The base bid submitted by Suarez & Munoz Construction, Inc. is 16.2 percent under the Engineer's Estimate and is considered acceptable for the work involved. This project attracted 72 viewers on BidSync including several well established construction companies. The City received 4 very competitive bids, of which all met the minimum requirements as set forth in the project specification and were deemed responsive to bid the project.

Staff recommends the award of the project to Suarez & Munoz Construction, Inc.

The City's contingency policy in Council Policy No. 1-18, entitled "Operating Budget and Capital Improvement Program Policy," sets forth a standard contingency of 5 percent of the contract amount for parks projects. The standard contingency is sufficient for this project.

EVALUATION AND FOLLOW UP

No follow up action is anticipated at this time.

PUBLIC OUTREACH

To solicit contractors, this project was listed on Bidsync and advertised in the *San José Post Record.* Bid packages for all Department of Public Works construction projects were provided to various contractor organizations and builders' exchanges.

This memorandum will be posted on the City's website for the October 2, 2018, City Council meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The 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

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery*	$1,076,000
Construction (Base Bid)	1,727,000
Construction (Bid Alt 1)	110,000
Contingency	92,000
TOTAL PROJECT COSTS	**$3,005,000**
Prior Year's Expenditures/Encumbrances**	(582,000)
TOTAL REMAINING PROJECT COSTS	**$2,423,000**

*Project Delivery includes design and bid/award, project management, inspection, construction management, and consultant fees.
**Prior year expenditures, encumbrances, and estimated overhead cost through June 30, 2018.

2. COST ELEMENT OF AGREEMENT/CONTRACT:

Mobilization and Site Preparation	$92,500
Grading and Drainage	$355,000
Site Furnishings and Partial Site Lighting	$138,000
Operation and Maintenance Period	$5,000
Paving, Concrete and Retaining Walls	$532,000
Irrigation and Planting	$604,500
Sub-Total Base-Bid	**$1,727,000**
Bid Alternate No. 1: Site Lighting	110,000
Sub-Total Bid Alternates	**$110,000**
PROJECT CONSTRUCTION COST	**$1,837,000**

3. SOURCE OF FUNDING: 375 – Subdivision Park Trust Fund and 381– Council District 4 Construction and Conveyance Tax Fund

4. OPERATING COSTS: The operating and maintenance costs of this project have been received and will have no impact on the General Fund operating budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the construction 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	2018-2019 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			**$2,360,000**			
Remaining Funding Available						
375	4185	Iris Chang Park Development	$2,840,000	$1,837,000	V-497	6/19/2018, 30124
381	4185	Iris Chang Park Development	$19,000		V-497	6/19/2018, 30124
Total Current Funding Available			**$2,859,000**	**$1,837,000**		

* The Proposed Capital Budget was adopted by the City Council on June 19, 2018.

CEQA

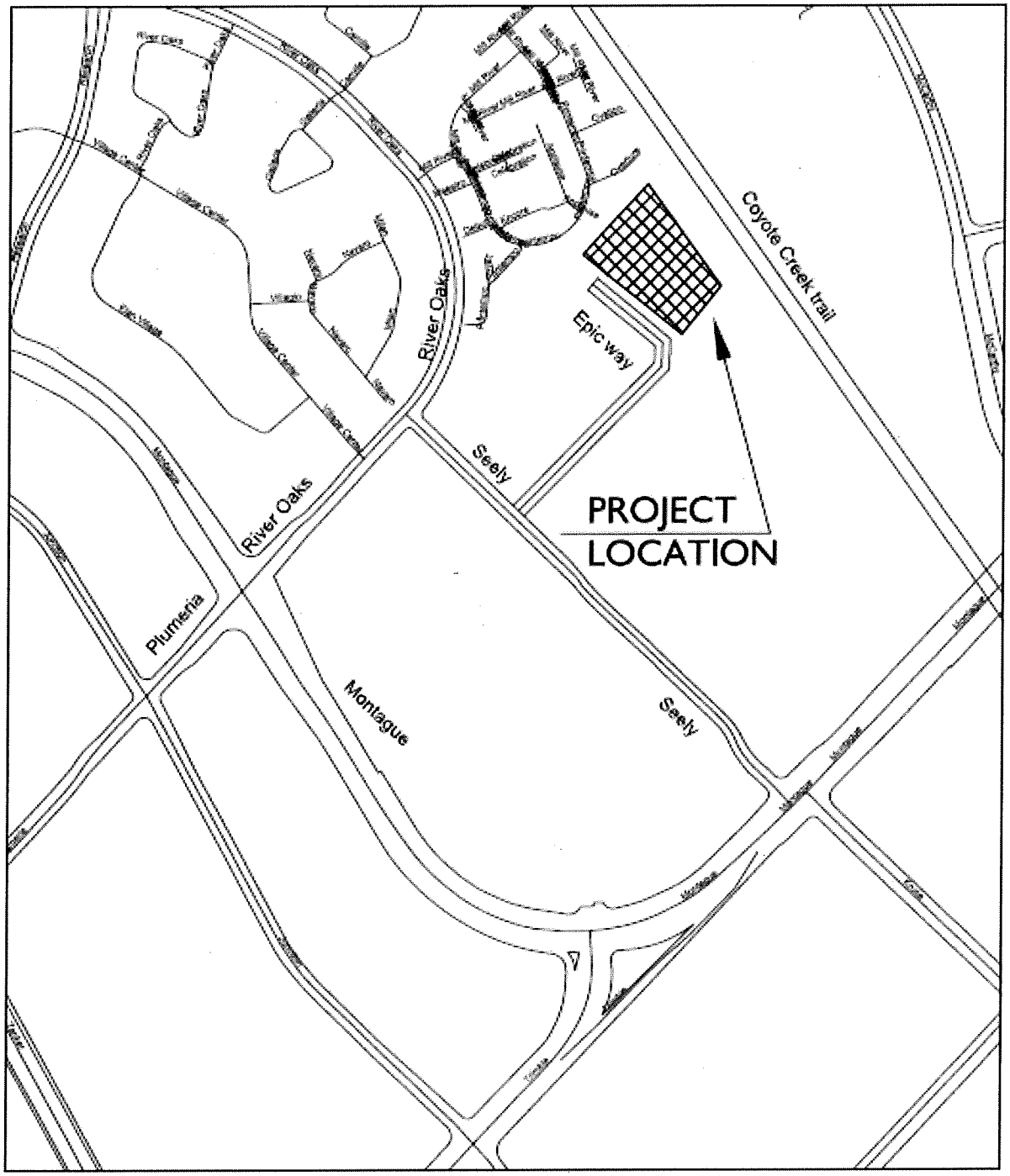
Addendum to the North San Jose Development Policies Update Final Program Environmental Impact Report (Resolution No. 72768) for Iris Chang Memorial Park, File No. PP16-087.

/s/
MATT CANO
Director of Public Works

Attachment: Iris Chang Park Location Map

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

Attachment: Iris Chang Park Location Map



IRIS CHANG PARK
LOCATION MAP

NOT TO SCALE

NORTH