



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Jon Cicirelli
Margaret McCahan

SUBJECT: SEE BELOW

DATE: June 11, 2019

Approved

D. D. Syl

Date

6/14/19

COUNCIL DISTRICT: 3

**SUBJECT: ACTIONS RELATED TO THE 7890 – RINCON SOUTH PARK
DEVELOPMENT AND ADOPTION OF APPROPRIATION ORDINANCE
AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND**

RECOMMENDATION

- (a) Report on bids and award of construction contract for the 7890 – Rincon South Park Development project to the low bidder, Goodland Landscape Construction, Inc., for the base bid in the amount of \$1,518,000 and approve a five (5) percent contingency in the amount of \$75,900.
- (b) Adopt the following 2019-2020 Appropriation Ordinance Amendments in the Subdivision Park Trust Fund:
 - (1) Increase the Rincon South Park appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$504,000; and
 - (2) Decrease the Future PDO/PIO Projects Reserve by \$504,000.

OUTCOME

Approval of the construction contract to Goodland Landscape Construction, Inc. will enable Rincon South Park Development project to proceed. Approval of a five percent contingency will provide funding for any unanticipated work that may be necessary for completion of the project. Adoption of the appropriation ordinance is necessary to fully fund the bid work and contingency.

BACKGROUND

The Rincon South Park site is currently an undeveloped 0.9-acre parcel located at the northeast corner of Kerley Drive and Rosemary Street (map attached). The site was acquired in June 2014 as part of a residential development and held in reserve by the Parks, Recreation and Neighborhood Services Department for neighborhood park development.

The scope of work for the base bid includes construction of park improvements including the following elements: two shaded play areas (2-5 years old tot area and 5-12 years old youth area), a half basketball court, a shaded picnic area, fencing and gates, benches, walkways, and new irrigation and planting including a sensory garden.

Because of the higher than estimated base bid, staff recommends against awarding the Bid Alternate bid item, which included the installation of five fitness stations and two precast seating areas with related concrete pads. Had the cost proposals for the Bid Alternate in combination with the base bid aligned with budget resources, staff would have considered recommending the award of these additional park features. Staff acknowledges that not awarding the Bid Alternates would reduce passive and active recreational opportunities, but the park design allows for these additional features to be implemented should resources be available in the future. Construction is anticipated to begin in August 2019, with completion in March 2020.

ANALYSIS

Bids were opened on April 11, 2019, with the following results:

<u>Contractor</u>	<u>Base Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Engineer's Estimate	\$1,198,900	---	---
Goodland Landscape Construction, Inc. (Tracy)	1,518,000	\$319,100	27
Guerra Construction Group. (Santa Clara)	1,735,100	536,200	45
Integra Construction Services, Inc. (Pleasanton)	1,886,000	687,100	57

<u>Contractor</u>	<u>Bid Alt No. 1</u>
Engineer's Estimate	\$37,215
Goodland Landscape Construction, Inc.	55,000
Guerra Construction Group.	105,000
Integra Construction Services, Inc.	83,470

All base bids exceeded the \$1,198,000 Engineer's Estimate. In accordance with the project specifications, the low bid must be determined on the base bid amount alone, which results in Goodland Landscape Construction, Inc. Staff has carefully reviewed the bid and ensured that the firm is the lowest responsive bidder.

The low bid submitted by Goodland Landscape Construction, Inc. is 27 percent higher than the Engineer's Estimate. Staff outreached to bidders after bid results were received, which indicated that the Bay Area economy has tightened the labor pool leading to bids higher than the average of bids over the past six months. These conditions are influencing the construction market resulting in estimating uncertainty at this time.

Staff has evaluated rejecting all bids, reducing the project scope, and re-bidding the project with the expectation of attracting additional bidders. However, rebidding is unlikely to secure more favorable bids.

Staff recommends advancing the project with the base bid features to deliver the neighborhood park at the earliest date. The core project features offer a range of recreational opportunities for all ages, and aligns with community expectations, which were documented as part of three community workshops that supported the park's Master Plan. Staff recommends that no reductions to project components be made.

Goodland Landscape Construction, Inc. has successfully completed several park projects for the City over the last several years. Within the past year they have completed the Del Monte Park Phase II Soccer Facility, the FEMA-Watson Park Soccer Fields, and Field Lighting Project. The company is currently working on the Arcadia Softball Project with a scheduled completion of Fall 2019.

Council policy provides for a standard contingency of five percent on park projects. The standard contingency is considered appropriate for this project because the site is well-documented and design changes are unlikely beyond the common 5% threshold.

Included in this memorandum is a recommendation to allocate additional funding of \$504,000 to the project from the Future PDO/PIO Projects Reserve, which will ensure sufficient funding is available to award the construction contract, manage the project and account for unforeseen contingency expenses.

Project Labor Agreement Applicability

A Project Labor Agreement (PLA) is not applicable to this project as the Engineer's Estimate is under three million dollars.

EVALUATION AND FOLLOW-UP

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

PUBLIC OUTREACH

To solicit contractors, this project was listed on Bidsync (www.bidsync.com) and advertised in the *San José Post Record*. 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 builder's exchanges.

This memorandum will be posted on the City's Council Agenda website for the June 25, 2019, Council Meeting.

Three community workshops were conducted during the Master Planning Phase.

COORDINATION

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

COMMISSION RECOMMENDATION

The Master Plan for this project was approved by the Parks and Recreation Commission on September 7, 2016, and approved by City Council on December 6, 2016.

COST SUMMARY/IMPLICATIONS

1.	COST OF PROJECT:	
	Project Delivery	\$727,100
	Construction	\$1,518,000
	Contingency	<u>\$75,900</u>
	TOTAL PROJECT COSTS	\$2,321,000
	Prior Years' Expenditures & encumbrances anticipated through June 30, 2019	(\$391,000)
	REMAINING PROJECT COSTS	\$1,930,000
	Total Available Funding	\$1,426,000
	ADDITIONAL FUNDING REQUIRED	\$504,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Mobilization, and Temporary Facilities and Controls	\$100,000
Utility Conflict Allowance	10,000
Storm Water Pollution Control Plan	5,000
Emergency Erosion and Sediment Control Allowance	10,000
Demolition	135,000
Signage	15,000
Playground Equipment	170,000
Site Furnishings	200,000
Drinking Fountain	18,000
Site Clearing	25,000
Grading	85,000
Operation and Maintenance Period	2,500
Flexible Paving	45,000
Rigid Paving	225,000
Decomposed Granite Paving	12,500
Playground Protective Surfacing	130,000
Chainlink Fences and Gates	15,000
Decorative Metal Fences and Gates	140,000
Planting Irrigation	40,000
Planting Preparation	20,000
Turf and Grasses	20,000
Plants	35,000
Sanitary Sewerage Utilities	20,000
Storm Drainage Utilities	40,000
TOTAL CONTRACT AMOUNT:	<hr/> \$1,518,000

3. SOURCE OF FUNDING: 375 – Subdivision Park Trust Fund
Additional funding is available in the Subdivision Park Trust Fund to address the recommended increase in project funding by \$504,000.
4. OPERATING COSTS: This facility is anticipated to have an annual operating and maintenance impact on the General Fund of approximately \$26,000, which is allocated in the 2019-2020 Operating Budget. The operating and maintenance funding for this project is already available in the Base Budget for the Parks, Recreation and Neighborhood Services Department.

BUDGET REFERENCE

The table below identifies the fund and appropriations allocated to fund the contract and remaining project costs, including project delivery, construction, and contingency costs:

Fund #	Appn #	Appn Name	Total Appn	Rec. Budget Action	Amt. for Contract	2019-2020 Proposed Capital Budget Page*	Last Budget Action* (Date, Ord. No.)
375	5044	Rincon South Park Development	\$1,426,000	\$504,000	\$1,518,000	V-447	N/A
375	8845	Future PDO/PIO Reserve	\$7,609,176	(\$504,000)	N/A	V-451	N/A


* The 2019-2020 Proposed Operating Budget was approved by the City Council on June 11, 2019, and is scheduled for adoption on June 18, 2019.

CEQA

Mitigated Negative Declaration for Rincon Park Master Plan. File No. PP16-077

/s/
MATT CANO
Director of Public Works

/s/
JON CICIRELLI
Acting Director of Parks, Recreation and
Neighborhood Services


MARGARET MCCAHAHAN
Budget Director

Attachment: Rincon South Park Location Map

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



RINCON PARK LOCATION MAP

NOT TO SCALE

