



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: February 8, 2021

Approved

Date

2/11/2021

COUNCIL DISTRICT: 3

**SUBJECT: ACTIONS RELATED TO THE 9166 – PAB AND PAC BUILDING
ELEVATORS UPGRADE RE-BID PROJECT**

RECOMMENDATION

Report on bids and award of a construction contract for the 9166 – PAB and PAC Building Elevators Upgrade Re-Bid Project to the lowest responsive bidder, W. E. Lyons Construction Co., for the base bid in the amount of \$3,030,342 and approval of a fifteen percent contingency in the amount of \$454,551.

OUTCOME

Approval of this contract will allow for the replacement and modernization of the three (3) existing elevators at Police Administration Building (PAB) and two (2) existing elevators at Police Administration Communication Building (PAC). Approval of a standard fifteen (15) percent contingency would provide funding for any unanticipated work necessary for the proper completion of the project.

BACKGROUND

San Jose PAB is located at 201 W Mission St, San Jose and was constructed in 1968. All three elevators in the building are original and are all at the end of their expected 20 to 25 years' life span. One of the elevators was already decommissioned in early 2019. The other two elevators are currently working at 50% capacity most of the time and in frequent need of repairs. In addition, repair parts for these elevators are not readily available and are expensive to be custom made.

San Jose PAC is located at 855 North San Pedro Street, San Jose. This building was constructed in 1988. The four elevators in this building are over 30 years old and have all passed their expected 20 to 25 years' life span as well. Two of the four elevators are being replaced and

modernized under another Public Works project.

The remaining two elevators will be replaced and modernized under this new project.

The scope for this project is the demolition, replacement, and modernization of elevators, and the modification of the elevator machine rooms including fire, power, lighting, and HVAC to meet the current code requirements.

A total of five elevators will be modernized under this project, three elevators at PAB and two elevators at PAC.

In August 2019, Salas O'Brien was selected as the engineer of record for the construction drawings of this project. The bidding documents have been approved, reviewed, and permitted by Public Works and the Fire Department.

This project was first advertised on May 27, 2020 and bid opening date was on July 2, 2020. No bids were received on the bid opening date. City staff investigated the reasons of no bids result and updated the specifications and drawings accordingly. The rebid package was updated with the following changes:

1. A building power shutdown procedure was added to clarify each party's responsibility.
2. Contract duration was extended to 540 calendar days to include the long lead time for equipment fabrication and delivery due to COVID-19 impacts.
3. A pre-bid project walk-throughs for interested bidders was added to allow the site visit under the COVID-19 social distancing requirement.

The rebid package was re-approved and re-permitted by Public Works and the Fire Department and advertised for a second time on November 04, 2020.

The construction is scheduled to begin in May 2021, with project completion by November 2022.

ANALYSIS

Two bids were received and opened on December 3, 2020, with the following result:

<u>Contractor</u>	<u>Base Bid</u>	<u>Variance</u>	<u>Over/(Under)</u>
Engineer's Estimate	\$3,520,000	Amount	Percent
W.E. Lyons Construction Co.	\$3,030,342	(\$489,658)	-13.9%
Buhler Commercial	\$3,076,510	(\$443,490)	-12.6%

The lowest responsive bid submitted by W.E. Lyons Construction Co. in the amount of \$3,030,342 is 13.9 percent lower than the Engineer's Estimate. W.E. Lyons Construction Co

specializes in commercial, retail, high-tech, manufacturing and industrial construction and management since 1926. The company has offices located in Walnut Creek, CA, and has completed multiple public projects over \$8 million such as United States Coast Guard in San Francisco, CA, LLNL Building 654 in Livermore, CA, University of California Berkeley Guest House in Berkeley, CA, etc. Staff reviewed the contractor's schedule of quantities and experience requirements, and recommends awarding the base bid of the contract to W.E. Lyons Construction Co.

San Jose Municipal Code Section 27.04.050 sets forth the City's contingency policy. Unless a different amount is approved by the City Council, the standard contingency for a building renovation project is 15 percent. The standard fifteen percent contingency is appropriate for this building renovation project.

Project Labor Agreement Applicability

A Project Labor Agreement (PLA) is not applicable to this project because more than 50% of the total cumulative value of the Engineer's Estimate for the project falls under exemption #6 in the contract. Exemption #6 reads as follows: "Building maintenance or rehabilitation, which could include upgrading of the building."

Local and Small Business Outreach

Procurement staff used Biddingo to outreach to local and small business enterprises. Chapter 4.12 of the San Jose 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 8,560 vendors, and documents were downloaded by 19 vendors, approximately 3 of which were located within Santa Clara County and therefore local. The recommended contractor is not a local or a small business enterprise. Currently, approximately 40% of the contract is intended to be subcontracted to local subcontractor.

CONCLUSION

Public Works Staff reviewed the project scope and contractor's bid document, schedule of quantities and experience requirements, and recommends awarding 9166- PAB and PAC Building Elevators Upgrade Re-Bid Project to W.E. Lyons Construction Co.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This project was listed on Biddingo (www.biddingo.com) and advertised in the *San Jose Post Record*. The complete bid package and project information for all Department of Public Works construction projects are available on Biddingo for interested contractors, contractor organizations and builders' exchange. This memorandum will be posted on the City's website for the February 2, 2020 City Council meeting.

COORDINATION

This project and memorandum have been coordinated with the City Manager's Budget Office, Department of Finance, San Jose Police Department, San Jose Fire Department, Planning, Building and Code Enforcement Department, Information Technology Department, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$1,412,637
Construction	\$3,030,342
Contingency	<u>\$454,551</u>
Total Project Costs	\$4,897,530
Prior year expenditures and encumbrances	<u>\$345,045</u>
Remaining Project Cost	\$4,552,485

2. SOURCE OF FUNDING: 001 – General Fund

3. COST ELEMENTS OF CONSTRUCTION CONTRACT: \$3,030,342

4. OPERATING COSTS: It is anticipated that this project will not have an operating and maintenance impact. One-year system warranty is included in the contract amount.

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	Total Appn	Amt. for Contract	2021-2025 Adopted Capital Improvement Budget Page	Last Budget Action (Date, Ord. No.)
001	414N	Local Sales Tax - PAB/PAC Phase I Elevator Modernization	\$3,155,000	\$830,342	V-741	10/20/2020 Ord. No. 30494
001	415P	PAB/PAC Phase I Elevator Modernization	\$2,200,000	\$2,200,000	V-745	06/23/2020 Ord. No. 30437

CEQA

Categorical Exempt, File No. PP19-081, CEQA Guideline Section 15301(a), Existing Facilities.

/s/

MATT CANO

Director of Public Works

For questions, please contact Michael O’Connell, Public Works Deputy Director, at Michael.OConnell@sanjoseca.gov.