



COUNCIL AGENDA: 09/14/21
FILE: 21-1982
ITEM: 2.16

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Jon Cicirelli
Jim Shannon

SUBJECT: SEE BELOW

DATE: August 30, 2021

Approved

Date

9/1/2021

COUNCIL DISTRICT: 2

**SUBJECT: ACTIONS RELATED TO THE 9095- RAMAC PARK TURF
REPLACEMENT PROJECT**

RECOMMENDATION

- (a) Report on bids and award of construction contract for the 9095- Ramac Park Turf Replacement Project to the low bidder, Redgwick Construction Co. for the base bid in the amount of \$2,011,882 and approve a five percent contingency in the amount of \$100,594.
- (b) Adopt the following Appropriation Ordinance amendments in the Subdivision Park Trust Fund:
 - (1) Increase the Ramac Park Turf Replacement appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$234,000; and
 - (2) Decrease the Future Parkland Dedication Ordinance/Parkland Impact Ordinance Projects Reserve by \$234,000.

OUTCOME

Approval of the construction contract and the additional budget appropriation will enable the Ramac Park Turf Replacement Project to proceed. This project replaces the natural grass at the site with synthetic turf. Approval of a five (5) percent contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the project.

BACKGROUND

Ramac Park is an existing park located in south San José on Charlotte Drive and Great Oaks Parkway. The site consists of a nearly 2-acre natural grass soccer field that needs replacement. Ramac Park is a favored venue for hosting kids' athletic programs, including the Kidz Love

Soccer program, due to its location, size, and amenities. Public Works staff has coordinated with Parks, Recreation Neighborhood Services Department's recreation staff to ensure the construction timeline has minimal impact on the programs offered at this project site.

The base bid scope of work includes removal of the existing soccer field turf and irrigation system; site preparation; grading and drainage; installation of a synthetic turf soccer field system, including associated underlayment and multi-sports striping; concrete work; parking lot striping; and miscellaneous site amenities.

ANALYSIS

Public Works requested bids for the base bid work and four Bid Alternate bid items as follows:

Bid Alternate No. 1: Convert existing sports lighting fixtures from metal halide to LED and furnish soccer goals.

Bid Alternate No. 2: Install netting poles and goal netting above new fence on east and west sides of the goal.

Bid Alternate No. 3: Remove existing double gate on east side of the site and install wider double gate with new fence; post, concrete pavement, and rolled curb.

Bid Alternate No. 4: Install Thermoplastic Elastomers compounds (TPE) and sand infill in lieu of cork and sand infill.

Bids were opened on June 17, 2021 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>% Over/ (Under) Total Bid Eng. Est.</u>
Engineer's Estimate	\$1,850,000	\$454,960	\$2,304,960	---	---
Redgwick Construction Co. (Oakland)	\$2,011,882	\$659,305	\$2,671,187	\$366,227	15.9%
McGuire and Hester (Alameda)	\$2,027,753	\$580,960	\$2,608,713	\$303,753	13.2%
Robert A. Bothman (Santa Clara)	\$2,129,000	\$606,515	\$2,735,515	\$430,555	18.7%
Goodland Construction, Inc. (Tracy)	\$2,233,535	\$753,751	\$2,987,286	\$682,326	29.6%

<u>Contractor</u>	Add Alt <u>No. 1</u>	Add Alt <u>No. 2</u>	Add Alt <u>No. 3</u>	Add Alt <u>No. 4</u>
Engineer's Estimate	\$195,000	\$151,000	\$13,100	\$95,860
Redgwick Construction Co.	232,700	215,445	19,800	191,360
McGuire and Hester	215,600	159,000	15,000	191,360
Robert A. Bothman	220,000	200,075	19,000	167,440
Goodland Construction, Inc.	235,916	279,575	46,900	191,360

Of the four bids that were received, city staff concluded from their review that two of the bids submitted by McGuire and Hester, and Goodland Construction, Inc were non-responsive for failing to provide the specific bidder's experience requested by the City.

Therefore, only the remaining two bids submitted by Redgwick Construction and Robert A. Bothman were considered responsive.

The project has four Bid Alternates bid items. Section 1.01D Bid Alternate of the Project Special Provisions states "If there are Bid Alternates, the low bid will be determined by adding each of the Bid Alternate Bids to the Base Bid in ascending numerical sequence, until a total is reached to which no further Bid Alternate Bids may be added without exceeding \$1,850,000. The low bidder will be the bidder whose total amount calculated under the preceding sentence (1) includes the greatest number of Bid Alternates, or (2) offers an equal number of Bid Alternates for the lowest price. If the addition of the first Bid Alternate Bid to the Base Bid results in a figure greater than the above-stated dollar amount in the case of every responsive bidder, the low bid will be determined by the Base Bid alone. Once the low bidder has been identified in the preceding manner, the City may elect to award the Base Bid item alone or any or all Bid Alternate items in any sequence to that low bidder, even if the resulting contract amount no longer represents the lowest total price for the particular items chosen."

All four bidders base bid numbers exceeded the above-stated dollar amount of \$1,850,000; therefore, the low bid was determined by Base Bid alone. The low base bid was submitted by Redgwick Construction Co. Although their base bid was over the Engineer's Estimate, staff considers this reasonable for the work involved and recommends awarding the base bid work only to Redgwick Construction Co. Public Works staff, in coordination with PRNS, is not recommending the inclusion of any of the Bid Alternate items due to funding limitations and nonessential scope of the Bid Alternates.

Redgwick Construction Co. has successfully completed a number of City Capital Improvements projects for San José over the past five years. These include Aborn Road Improvements, San Antonio Better Bikeways, The Alameda Phase II, and Park Avenue Re-Construction Project. Redgwick Construction has also successfully completed several other projects in San José with the Department of Transportation.

Several factors are considered to have contributed to the higher bids that were received. At the time of design completion and bid advertisement, impacts of the COVID-19 pandemic on the construction industry were uncertain. Over the course of several months, the effects of the

pandemic saw the manufacturing of construction materials facing operational restrictions and the slowdown in production. This significant decrease in material production led to higher demand and inflated costs. Repercussions of the pandemic included increased prices in materials, a shortage of skilled labor, project delays, and supply unable to keep up with the demand of economic recovery.

After reviewing the bid results, staff determined that the most considerable discrepancy was in the cost of the synthetic turf materials. Whereas the price of synthetic turf has remained stable throughout past bids, production and labor were severely affected by the 2020 pandemic, driving up the bids we received for this project. At the time of design completion, staff did not anticipate such a significant increase; staff has since updated our internal cost estimating module to reflect this change and will continue tracking inflations in pricing for future projects.

San José Municipal Code Section 27.04.050 provides that the contingency for all public works contracts (except those involving the renovation of a building or buildings) cannot exceed 10 percent of the total contract amount. Staff recommends a 5 percent contingency, which should be sufficient to account for unforeseen conditions that might arise in the construction.

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.

Local and Small Business Outreach

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 "small business enterprise" as a local business enterprise with 35 or fewer employees. Procurement staff sent bid invitations to 3,124 vendors, and documents were downloaded by 24 vendors, approximately 4 of which were located within Santa Clara County and therefore local. The recommended contractor is not a local or a small business enterprise. However, AAA Fence Company, Inc. is listed as a subcontractor. AAA Fence Company, Inc. is a small and local business located in the City of Santa Clara with a 24 member staff. The approximate value of work for AAA Fence is \$11,000 for new fencing.

EVALUATION AND FOLLOW-UP

No additional follow up action with the City Council is expected 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 did not include any public outreach. This memorandum will be posted on the September 14, 2021 Council agenda.

COORDINATION

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

COST SUMMARY/IMPLICATIONS

1. COST OF PROJECT:

Project Delivery*	\$509,524
Construction	\$2,011,882
Contingency (5%)	<u>\$100,594</u>
TOTAL PROJECT COSTS	\$2,622,000
Prior Years' Expenditures & Encumbrances**	(\$338,000)
TOTAL REMAINING PROJECT COSTS	\$2,284,000

* Project delivery includes \$319,639 for Design, Bid and Award Services and \$189,885 for Construction Management and Inspection Services.

** Anticipated expenditures and encumbrances through June 30, 2021. Any unexpended funds will be rebudgeted in the 2020-2021 Annual Report.

2. COST ELEMENTS OF AGREEMENT/CONTRACT

Mobilization	\$94,800
Erosion Control and SWPPP	\$37,500
Demolition and Site Preparation	\$491,290
Grading and Drainage	\$455,957
Synthetic Turf System	\$780,015
Concrete Work	\$66,830

Fencing	\$14,000
Miscellaneous Signage and Site Furnishings	\$22,790
Irrigation	\$41,200
Operation and Maintenance	\$7,500
Total Construction Contract Amount	\$2,011,882

3. SOURCE OF FUNDING: 001 – General Fund
375 – Subdivision Park Trust Fund
378 – Construction Tax and Property Conveyance Tax Fund:
Parks Purposes Council District #2
4. OPERATING COST: This facility is anticipated to open in May/June 2022. The annual operating and maintenance impact of approximately \$22,000 in the General Fund is expected to begin in 2022-2023 and was included as a Committed Addition in the 2022-2026 General Fund Forecast.

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*	Rec. Budget Action	Amt. for Contract	2021-2022 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
001	4150	Ramac Park Turf Replacement	\$1,674,000	\$0	\$1,401,882	V-213	06/22/2021, 30621
375	4150	Ramac Park Turf Replacement	\$188,000	\$234,000	\$422,000	V-382	06/22/2021, 30621
375	8845	Future PDO / PIO Projects Reserve	\$9,556,760	(\$234,000)	\$0	V-415	6/29/21, 30635
378	4150	Ramac Park Turf Replacement	\$188,000	\$0	\$188,000	V-230	06/22/2021, 30621

* The 2021-2022 Adopted Capital Budget was adopted by the City Council on June 22, 2021.

**Any unexpended funds will be requested to be rebudgeted to 2021-2022 as part of the 2020-2021 Annual Report which is scheduled to be reviewed by the City Council on October 19, 2021.

HONORABLE MAYOR AND CITY COUNCIL

August 30, 2021

Subject: Actions Related to the 9095-Ramac Park Turf Replacement

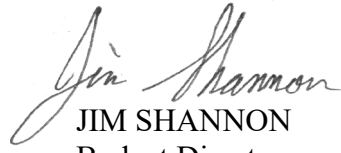
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CEQA

Categorically Exempt, File No. ER20-192, CEQA Guidelines Section 15302 Replacement or Reconstruction.

/s/
MATT CANO
Director of Public Works

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


JIM SHANNON
Budget Director

For questions, please contact Katherine Brown, Deputy Director of Public Works, at (408) 795-1679.