



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch  
Jim Shannon

**SUBJECT:** See Below

**DATE:** November 17, 2025

Approved

Date:

11/25/2025

**COUNCIL DISTRICT: 3**

**SUBJECT: Actions Related to the 9153 – Tenant Improvement 911 Call Center Upgrade (2018 Measure T) Project**

## **RECOMMENDATION**

- (a) Award of a contract for the construction of the 9153 - Tenant Improvement 911 Call Center Upgrade (2018 Measure T) Project to Rodan Builders, Inc. pursuant to City of San José Charter Section 1217(h) for the Base Bid and Bid Alternate No. 1 and Bid Alternate No. 2 in the amount of \$6,091,858.
- (b) Approve a 20% contingency in the amount of \$1,218,372.
- (c) Adopt the following 2025-2026 Appropriation Ordinance amendments in the Public Safety and Infrastructure Bond Fund:
  - (1) Increase the Measure T – Police 911 Call Center Upgrades appropriation to the Public Works Department in the amount of \$4,873,000; and
  - (2) Decrease the Measure T – Program Reserve (Public Safety) appropriation by \$4,873,000.
- (d) In accordance with City Council-approved Budget Principle #8, certify that funding the annual operations and maintenance costs for the 911 Call Center Upgrade, which is estimated to exceed \$100,000 annually in the General Fund, shall be made available in the applicable year of the cost impact.

## **SUMMARY AND OUTCOME**

The 9153 – Tenant Improvement 911 Call Center Upgrade (2018 Measure T) Project (Project) was advertised on June 18, 2025, with bids opened on August 14, 2025. A single bid was received but subsequently withdrawn in accordance with Section 2-1.095

of the City's Standard Specifications, resulting in no bids for the Project. Staff proceeded to negotiate directly with Rodan Builders, Inc. for a proposal, and on September 30, 2025, staff received and accepted Rodan Builders, Inc.'s proposal.

Direct award of the contract to Rodan Builders, Inc. will enable the Project to proceed into construction without further delay. Approval of a 20% contingency will provide funding for any unanticipated work necessary for the proper completion or construction of the Project.

Adoption of the appropriation ordinance amendments will provide adequate funding to construct the Project and approval of the certification language will allow for the operation of the new facilities beginning in 2026-2027.

## **BACKGROUND**

On November 6, 2018, 70% of San José voters approved ballot Measure T - The Disaster Preparedness, Public Safety, and Infrastructure Bond. The measure authorizes the City of San José (City) to issue up to \$650 million in general obligation bonds for various infrastructure projects. Of that amount, \$175 million is designated for public safety projects, including upgrades to the 911 Call Center and other critical public safety facilities.

The 911 Call Center is located on the 4th floor of the Police Administration Communication Center and is jointly managed by the San José Fire and Police Departments (see Attachment - Location Map – 9153 – Building Tenant Improvement – 911 Call Center Upgrade (2018 Measure T) Project ). The Project will provide improved working conditions in a more efficient space to handle the increasing number of calls and take advantage of changing methods and technologies that the public utilizes to call for 9-1-1 service.

The Project will address this by expanding the existing Communication Center footprint and adding 22 new emergency response dispatch stations, 11 for the Police Department, and 11 for the Fire Department, allowing both departments to increase staffing as necessary in the future to better serve the community. Beyond increasing emergency response capacity, the expanded floor plan will bring the call center closer to the building's perimeter glass walls, introducing natural light into currently windowless areas. This access to daylight is expected to improve the well-being of staff who work around the clock, helping them stay better connected to the external environment.

The full scope of work for the Project includes the following:

- Base Bid – Phase 1: Remodel the vacated Emergency Operation Center to accommodate the Fire Department offices displaced by Phase 2.

- Base Bid – Phase 2: Demolish existing hallways and offices on the south side of the 4th floor for Call Center expansion.
- Bid Alternate 1 – Phase 3: Remodel the existing Fire Department's dispatch space, including network and electrical systems upgrades.
- Bid Alternate 2 – Phase 4: Remodel the existing Police Department's dispatch space, including network and electrical systems upgrades.

Bid Alternates 1 and 2 were excluded from the Base Bid to provide flexibility in project award decisions due to budget uncertainties at the time of advertisement. However, the existing network infrastructure, electrical system, and interior finishes are significantly outdated and deteriorating. Including this work is now essential to ensure the facility meets current operational needs and modern technology standards. The implementation will be completed in four distinct phases to accommodate the personnel working onsite, the temporary relocation of personnel within the existing available workspaces, and the renovation of the existing dispatch areas.

The existing 911 Call Center is showing the wear of the years and puts tremendous strain on the call taking staff. To keep up with demands of the job and in the increased calls and to improve their ability to provide improved service to the residents, approval of this recommendation by City Council will allow construction to proceed on this time-sensitive public safety project. Construction is anticipated to begin in March 2026 and be completed by June 2027. Prior to the start of construction, Rodan Builders, Inc. must obtain the required background clearances for personnel planning to work on the Project and obtain permit approvals for the fire sprinkler and fire alarm systems.

## **ANALYSIS**

Under the City of San José Charter Section 1217(h), if no bids are received, the City Council may have the Project completed without further complying with public bidding. Even though there was strong initial interest with over 40 contractors and subcontractors walking the project at the pre-bid meeting, the procurement did not receive a responsive bid. Given the urgent necessity of the Project and the lack of a guarantee that re-advertisement of the Project would result in a responsive bid, staff believes that directly awarding the contract to Rodan Builders, Inc. would allow the Project to proceed without further delays. Rodan Builders, Inc. is a construction company with experience successfully renovating existing City facilities, with particular experience in complicated phased renovations and with tight security requirements.

The Project budget requires an increase of \$4.9 million, primarily due to the inclusion of Bid Alternates 1 and 2, which provide critical upgrades to the aging dispatch area network and electrical system to ensure continuity and functionality across all dispatch areas. The increase also reflects a higher than standard contingency due to anticipated

project complexities, higher market-driven construction costs, and additional associated design and project management expenses.

### *Selection of a Contractor*

City staff initiated the contractor selection process by evaluating the performance of firms that have previously completed building renovation projects for the City. Rodan Builders, Inc. was identified as a qualified candidate based on its strong track record over the past decade. The company has successfully delivered several renovation projects for the City. Notably, Rodan Builders, Inc. is currently managing the 10201 – SJC Airport Accessibility Upgrades Phase 3A Terminal Buildings Project, a major initiative to bring the San José Mineta International Airport facilities into compliance with current accessibility codes. The company's performance on such complex projects has consistently met the City's expectations.

The Project was initially advertised for bid on June 18, 2025, with a bid opening date of August 14, 2025. Only one bid was received, which was later withdrawn in accordance with Section 2-1.095 of the City's Standard Specifications. As a result, no valid bids were received. Following this, staff pursued a direct award and began negotiations with Rodan Builders, Inc., a firm with prior experience working on City projects. On September 30, 2025, staff received proposal forms from Rodan Builders, Inc. with the following result.

| <b><u>Contractor</u></b>   | <b><u>Base Bid</u></b> | <b><u>Bid<br/>Alternate<br/>Total (1<br/>and 2)</u></b> | <b><u>Total Bid</u></b> | <b><u>Variance<br/>Amount</u></b> | <b><u>Over/<br/>(Under)<br/>Percent</u></b> |
|----------------------------|------------------------|---------------------------------------------------------|-------------------------|-----------------------------------|---------------------------------------------|
| <b>Engineer's Estimate</b> | <b>\$2,980,000</b>     | <b>\$1,990,000</b>                                      | <b>\$4,970,000</b>      | --                                | --                                          |
| Rodan Builders, Inc.       | \$3,665,000            | \$2,426,858                                             | \$6,091,858             | \$1,121,858                       | 23%                                         |

### *Bid Alternates*

| <b><u>Contractor</u></b>   | <b><u>Bid<br/>Alternate<br/>No. 1</u></b> | <b><u>Bid<br/>Alternate<br/>No. 2</u></b> | <b><u>Bid<br/>Alternate<br/>No. 3</u></b> | <b><u>Bid<br/>Alternate<br/>No. 4</u></b> | <b><u>Total Bid<br/>Alternate</u></b> |
|----------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------|
| <b>Engineer's Estimate</b> | <b>\$894,598</b>                          | <b>\$1,095,402</b>                        | <b>\$529,049</b>                          | <b>\$240,951</b>                          | <b>\$2,760,000</b>                    |
| Rodan Builders, Inc.       | \$878,188                                 | \$1,548,670                               | \$585,700                                 | \$309,777                                 | <b>\$3,322,335</b>                    |

### *Price Analysis*

Rodan Builders, Inc. submitted a proposal for this project that is 23% above the Engineer's Estimate. A breakdown of the variance reveals that the costs associated with the mechanical, electrical, and finishes work were significantly higher than anticipated, ranging from 35% to 45% higher than the Engineer's Estimate. In contrast, all other trades fall within 10% to 15% of the Engineer's Estimate. Several factors may explain the elevated bid amount, including the complexity of the renovation and expansion work within the existing building, the multi-phased nature of the project, and the increased material costs due to current market conditions. Despite the higher-than-expected costs in some areas, the overall bid is considered reasonable and acceptable given the scope and urgency of the work.

In addition to the Base Bid, Bid Alternate 1 (Phase 3) and Bid Alternate 2 (Phase 4) are recommended for award. These two alternates would bring the existing workspaces in alignment with the Base Bid Phase 2 and enable continuity in the working dispatch areas.

### *Contingency*

San José Municipal Code Section 27.04.050 provides for a standard contingency of 15% on all Public Works contracts involving the renovation of a building or buildings. However, on this project, a contingency of 20% is being recommended due to the complexity of the Project and the logistics required to renovate an existing emergency response facility that must remain fully operational on a 24-hour basis throughout construction.

### *Wage Theft Prevention Policy Check*

The Office of Equality Assurance reviewed Rodan Builders, Inc. for compliance with the City's Wage Theft Prevention Policy on August 26, 2025, and on October 14, 2025. No wage theft issues were identified.

### *Project Labor Agreement Applicability*

The City's Project Labor Agreement is applicable to this project because the Engineer's Estimate is over \$1.21 million.

### *Local and Small Business Analysis*

Rodan Builders, Inc. is not a local or a small business enterprise. However, two local business enterprises are listed as subcontractors on this project, B.T. Mancini Co. (Santa Clara) will be performing flooring work valued at approximately \$340,000, and

Environmental Systems Inc. (Santa Clara) will be performing mechanical and plumbing installations valued at approximately \$150,000.

## **EVALUATION AND FOLLOW-UP**

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

## **COST SUMMARY/IMPLICATIONS**

The Project's budget is currently \$6.2 million, with a recommended increase of \$4.9 million in the Public Safety and Infrastructure Bond Fund to complete the upgrades to the 911 Call Center. The Measure T – Program Reserve (Public Safety) will be used to offset the budget increase.

The construction contract is \$6.1 million, which includes the Base Bid and Bid Alternate No. 1 and Bid Alternate No. 2. The total project cost and construction contract budget are outlined below.

While the final amount for the operation and maintenance costs will be further analyzed prior to the inclusion in the 2026-2027 Base Budget, the estimated annual costs impacting the General Fund are estimated to be \$254,000 for staff support of the expanded facility, software maintenance costs, and other building maintenance and utilities costs and were included as committed additions in the 2025-2026 City Manager's Budget Request and 2026-2030 Five-Year Forecast and Revenue Projections document. Any revisions to the cost estimates will be reviewed and included in the 2026-2027 City Manager's Budget Request and 2027-2031 Five-Year Forecast and Revenue Projections, which will be released in February 2026. Further one-time funding of \$3.6 million for the Police Department in the General Fund and \$1.6 million for the Fire Department in the Fire Construction and Conveyance Tax Fund have been allocated for fixtures, furnishings, and equipment that are not bond-eligible expenses.

In 2008, the City Council approved a set of budget principles that included a requirement (Budget Principle #8) that capital improvement projects shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact. Certification shall demonstrate that funding for the entire cost of the project, including the operations and maintenance costs, will not require a decrease in existing basic neighborhood services. City staff does not anticipate a degradation of basic neighborhood services and recommends City Council certification of the project.

**1. TOTAL COST OF PROJECT**

|                                          |                     |
|------------------------------------------|---------------------|
| Project Delivery*                        | \$3,743,262         |
| Construction                             | 6,091,858           |
| Contingency                              | 1,218,372           |
| <b>TOTAL PROJECT COSTS</b>               | <b>\$11,053,492</b> |
| Prior year's Expenditures & Encumbrances | 1,501,234           |
| <b>REMAINING PROJECT COSTS</b>           | <b>\$9,552,258</b>  |

\*Project delivery fees include \$1,648,262 of design services and bidding, and \$2,095,000 for construction management and inspection services.

**2. COST ELEMENTS OF CONTRACTS RECOMMENDED AS PART OF THE MEMORANDUM:**

|                                                              |                    |
|--------------------------------------------------------------|--------------------|
| General Requirements, Mobilization, Fire Permitting          | \$500,000          |
| Electrical Work                                              | 1,238,630          |
| Heating, Cooling, Plumbing, Fire Suppression, and Structures | 654,495            |
| Finishes                                                     | 557,695            |
| Thermal, Specialties, Demolition                             | 714,180            |
| Bid Alternate No. 1                                          | 878,188            |
| Bid Alternate No. 2                                          | 1,548,670          |
| <b>TOTAL CONTRACT AGREEMENT</b>                              | <b>\$6,091,858</b> |

**BUDGET REFERENCE**

The following table identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

| Fund # | Appn. # | Appropriation Name                          | Total Appropriation | Rec. Budget Action | Amt. for Contract | 2025-2027 Adopted Biennial Capital Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|---------|---------------------------------------------|---------------------|--------------------|-------------------|------------------------------------------------|-------------------------------------|
| 498    | 417P    | Measure T – Police 911 Call Center Upgrades | \$4,480,000*        | \$4,873,000        | \$6,091,858       | 720                                            | 10/21/2025 31252                    |
| 498    | 8575    | Measure T – Program Reserve (Public Safety) | \$23,318,256        | (\$4,873,000)      | N/A               | 709                                            | 10/21/2025 31252                    |

\*An additional \$200,000 is anticipated to be appropriated in 2026-2027.

### **COORDINATION**

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

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the December 9, 2025 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Categorically Exempt, File No. ER24-018, CEQA Guidelines Sections 15301 for existing facilities.

HONORABLE MAYOR AND CITY COUNCIL

November 17, 2025

**Subject: Actions Related to the 9153 – Tenant Improvement 911 Call Center Upgrade (2018 Measure T) Project**

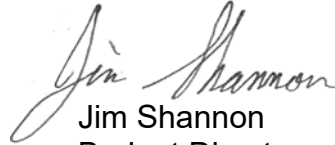
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## **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Matt Loesch  
Public Works Director

A handwritten signature in black ink, appearing to read "Jim Shannon".

Jim Shannon  
Budget Director

For questions, please contact Sal Kumar, Deputy Director, Public Works Department, at [sal.kumar@sanjoseca.gov](mailto:sal.kumar@sanjoseca.gov)

**ATTACHMENT** - Location Map – 9153 – Building Tenant Improvement – 911 Call Center Upgrade (2018 Measure T) Project

Attachment  
**Location Map**  
**9153 - Tenant Improvement 911 Call Center Upgrade (2018 Measure T) Project**



Police Administration and Communications Center  
**911 Call Center - 4th floor**

