



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Jon Cicirelli
Jim Shannon

SUBJECT: See Below

DATE: August 19, 2024

Approved

Date

8/29/24

COUNCIL DISTRICT: 1

**SUBJECT: Actions Related to the 10128 - Park: Bundle - 9500 Hamann Tot Lot
and 10121 Starbird Park Renovations Rebid III**

RECOMMENDATION

- (a) Report on bids and award of construction contract for the 10128 - Park: Bundle - 9500 Hamann Tot Lot and 10121 Starbird Park Renovations Rebid III in the amount of \$1,337,459 to the lowest responsive, responsible bidder Guerra Construction Group.
- (b) Approve a 10% percent contingency in the amount of \$133,746.
- (c) Adopt the following 2024-2025 Appropriation Ordinance amendments in the Subdivision Park Trust Fund:
 - (1) Increase the Hamann Park Tot Lot Renovation appropriation to the Parks, Recreation and Neighborhood Services Department by \$35,000;
 - (2) Establish the Starbird Park Playground Replacement appropriation to the Parks, Recreation, and Neighborhood Services Department in the amount of \$22,000; and
 - (3) Decrease the Future PDO / PIO Projects Reserve by \$57,000.
- (d) Adopt the following 2024-2025 Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #1 Fund:
 - (1) Increase the Hamann Park Tot Lot Renovation appropriation to Parks, Recreation and Neighborhood Services Department by \$14,000;
 - (2) Increase the Starbird Park Playground Replacement appropriation to the Parks, Recreation and Neighborhood Services Department by \$34,000; and
 - (3) Decrease the Unrestricted Ending Fund Balance by \$48,000.

SUMMARY AND OUTCOME

This memorandum summarizes the bids received and requests award of a construction contract for the 10128 - Park: Bundle - 9500 Hamann Tot Lot and 10121 Starbird Park Renovations Rebid III (Project). Both parks are over 20 years in age, making upgrades and repairs essential.

Award of the construction contract to Guerra Construction Group will enable the Project to proceed into construction. Approval of a 10% contingency will provide funding for any unanticipated work necessary for the proper construction of the Project. Adoption of the appropriation ordinance amendments will provide the additional funding needed to construct the Project.

BACKGROUND

The Project involves renovating two parks within the City of San José. The park names and locations are as follows: Marijane Hamann Park at 2747 Westfield Avenue and Starbird Park at 1050 Boynton Avenue (**Attachment** - Location Map – 10128 – Park: Bundle - 9500 Hamann & 10121 Starbird Park Renovations Project.) The Project will include removing and replacing the play equipment for both parks. The existing play surface will be removed and replaced by a rubberized play surface. All updates will be made within the existing footprints of the playgrounds. The Hamann park tot lot playground footprint is approximately 2,500 square feet and the Starbird playground footprint is approximately 6,000 square feet. The two parks are bundled as one bid package due to the close proximity to each other and within the same City Council district. The bundle method also capitalizes on efficiency during bidding phase and process improvements have been made since last bundled project delivery.

The overall Project goal is to provide necessary upgrades and repairs to the older parks. The design intent for each location is to create a unique identity and sense of place. The Hamann tot lot playground design was inspired by a mural on the community building featuring flowers and wildlife creatures. The Starbird playground features a castle theme to tie into adjacent checker seating elements and checkerboard concrete walkways. The proposed improvements create new opportunities for play, gathering, learning, and development to serve the public's needs.

Construction is anticipated to begin in fall 2024 with the parks opening to the public in early spring 2026.

ANALYSIS

Bids were opened on May 30, 2024, with the following results.

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$1,294,900	---	---
Guerra Construction Group (Santa Clara)	\$1,337,459	\$42,559	3
QLM, Inc., (San José)	\$1,412,000	\$117,100	9
Suarez & Munoz Construction Inc., (Hayward)	\$1,424,000	\$129,100	10
G&G Builders Inc. (Livermore, CA) (<i>non-responsive</i>)	\$1,473,841	\$178,941	14

The bid from G&G Builders Inc. was deemed non-responsive for not submitting California Air Resource Board certificates of compliance.

The low bid from Guerra Construction Group is considered acceptable for the work involved in the Project with a 3% variance from the Engineer's Estimate.

Guerra Construction Group completed the 7545-Doerr Park Play Area Renovation Project in 2017 and 8247-Norman Y. Mineta San José International Airport Police Department Building Replacement in 2018. Guerra Construction Group also completed other similar park renovation projects for the City of Campbell.

Contingency

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on all Public Works contracts except those involving the renovation of a building or buildings. The standard 10% contingency is appropriate for this Project.

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City's Wage Theft Prevention Policy on May 30, 2024 and again on June 10, 2024. 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 \$1.22 million.

Local and Small Business Analysis

The recommended contractor is a local and small business enterprise. In addition, there is one local business enterprise listed as a subcontractor: Playgrounds Unlimited (Santa Clara) will be performing play equipment install and rubber surface work valued at approximately \$830,000.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

The total contract award is \$1.3 million for both the Starbird Park Playground Replacements (\$947,000) and Hamann Park Tot Lot Renovation (\$390,000) projects. An additional \$105,000 is recommended to be added to this Project due to rebid efforts and higher construction bid costs than what was originally projected from the Engineer's Estimate, of which \$57,000 will be from the Subdivision Park Trust Fund (Fund 375) and \$48,000 will be from the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #1 Fund (Fund 377).

The total Project cost for Starbird Park Playground Replacements project will be \$1.5 million and the Hamann Park Tot Lot Renovation project will cost \$750,000. All updates will be made within the existing footprints of the playgrounds; therefore, no additional operating and maintenance costs for both parks are anticipated as a result of the project.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$734,143
Construction	\$1,337,459
Contingency	<u>\$133,746</u>
TOTAL PROJECT COSTS	\$2,205,348
Prior Years' Expenditures and Encumbrances	(\$279,117)
TOTAL REMAINING PROJECT COSTS	\$1,926,231

* Project Delivery includes \$298,110 for design services and \$436,033 for construction management and inspection services.

August 19, 2024

Subject: Actions Related to the 10128 - Park: Bundle - 9500 Hamann Tot Lot and 10121 Starbird Park Renovations Rebid III

Page 5

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Mobilization, Demobilization, and Storm Water Controls	\$129,809
Civil Work and Utility Installation	\$84,220
Hardscape and Landscape Installation	\$416,730
Site Furnishings Installation	<u>\$706,700</u>
TOTAL CONTRACT AMOUNT	\$1,337,459

BUDGET REFERENCE

The table below identifies the funds 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	Amount for Contract	2024-2025 Proposed Capital Budget Page *	Last Budget Action (Date, Ord. No.)
375	421S	Hamann Park Tot Lot Renovation	\$305,000**	\$35,000	\$190,285	418	6/18/2024, 31102
375	424B	Starbird Park Playground Replacements	N/A	\$22,000	N/A	N/A	N/A
375	8845	Future PDO / PIO Projects Reserve	\$13,594,737	(\$57,000)	N/A	448	6/18/2024, 31102
377	424B	Starbird Park Playground Replacements	\$1,225,000†	\$34,000	\$947,174	272	6/18/2024, 31102
377	421S	Hamann Park Tot Lot Renovation	\$291,000	\$14,000	\$200,000	272	6/18/2024, 31102
377	8999	Unrestricted Ending Fund Balance	\$681,102	(\$48,000)	N/A	273	6/18/2024, 31102

* The 2024-2025 Adopted Capital Budget was approved on June 11, 2024, by the City Council and adopted on June 18, 2024.

** The total amount assumes a \$5,000 rebudget that is subject to City Council's approval of the 2023-2024 Annual Report, which will be reviewed by the City Council on October 22, 2024.

† -The total amount assumes a \$10,000 rebudget that is subject to City Council's approval of the 2023-2024 Annual Report which will be reviewed by the City Council on October 22, 2024.

HONORABLE MAYOR AND CITY COUNCIL

August 19, 2024

Subject: Actions Related to the 10128 - Park: Bundle - 9500 Hamann Tot Lot and 10121 Starbird Park Renovations Rebid III

Page 6

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 10, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

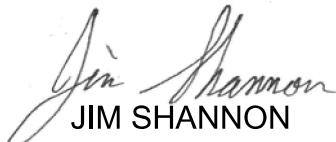
Categorically Exempt, File No. ER23-039, CEQA Guidelines Section 15301, Existing Facilities and Section 15302, Replacement or Reconstruction.

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
Director of Public Works

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


JIM SHANNON
Budget Director

For questions, please contact Sal Kumar, Deputy Director of Public Works, at sal.kumar@sanjoseca.gov.

ATTACHMENT: Location Map – 10128 – Park: Bundle - 9500 Hamann & 10121 Starbird Park Renovations Project

Attachment Location Map

10128 - PARK: BUNDLE - 9500 HAMANN & 10121 STARBIRD PARK RENOVATIONS PROJECT

LOCATION MAP

