



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** SEE BELOW

**DATE:** June 11, 2024

Approved

Date

6/13/24

**COUNCIL DISTRICT: 9**

## SUPPLEMENTAL

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 9414 -  
CAMDEN COMMUNITY CENTER IMPROVEMENTS PROJECT**

### REASON FOR SUPPLEMENTAL

To provide additional information obtained after bids were opened.

### RECOMMENDATION

- a. Report on bids and award of a contract for the construction of 9414 – Camden Community Center Improvements Project to the lowest responsive, responsible bidder, City Building, Inc., for the base bid and Bid Alternate Nos. 1, 2, and 3 in the amount of \$4,599,178; and
- b. Approve a 15% contingency in the amount of \$689,877.

### BACKGROUND

A memorandum dated May 28, 2024 was forwarded to City Council for the June 18, 2024 Council meeting. This supplemental memorandum provides additional information obtained after the bid opening of the 9414 - Camden Community Center Improvement Project (Project).

Three bid alternates were also considered for the inclusion of the Project:

Bid Alternate No. 1: Provide laundry room.

Bid Alternate No. 2: Replace existing gymnasium lights with energy efficient lighting.

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Bid Alternate No. 3: Provide backup power to the fire alarm control panel and intermediate distribution frame.

**ANALYSIS**

Bids were opened on May 9, 2024, with the following results:

<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>	<b><u>Bid Alt Total</u></b>	<b><u>Total Bid</u></b>	<b><u>Variance Amount</u></b>	<b><u>Over/ (Under) Percent</u></b>
Paragon Mechanical Inc. (Mogan Hill) <i>(non-responsive)</i>	\$215,340	0	0	0	(95)
City Building Inc. (San Mateo)	\$4,305,824	\$293,354	\$4,599,178	(\$480,322)	(10)
Rodan Builders Inc. (Hayward)	\$4,256,500	\$352,950	\$4,609,450	(\$470,050)	(9)
Strawn Construction Inc. (San Jose)	\$4,265,000	\$486,255	\$4,751,255	(\$328,245)	(7)
D.L. Falk Construction (Hayward)	\$4,361,000	\$410,000	\$4,771,000	(\$308,500)	(6)
W. E. Lyons Construction Co. (Walnut Creek) <i>(non-responsive)</i>	\$4,493,305	\$313,300	\$4,806,605	(\$272,895)	(5)
<b>Engineer's Estimate</b>	<b>\$4,952,000</b>	<b>\$127,500</b>	<b>\$5,079,500</b>	-	-
California Plus Engineering, Inc (Campbell) <i>(non-responsive)</i>	\$5,080,000	\$205,000	\$5,285,000	\$205,500	4
S&H Construction (Fremont) <i>(non-responsive)</i>	\$5,168,600	\$279,000	\$5,447,600	\$368,100	7

*Bid Alternates*

<u>Contractor</u>	<u>Bid Alternate No. 1</u>	<u>Bid Alternate No. 2</u>	<u>Bid Alternate No. 3</u>
Paragon Mechanical Inc. (Mogan Hill)	No Bid		
City Building Inc. (San Mateo)	\$89,286	\$192,080	\$11,988
Rodan Builders Inc. (Hayward)	\$131,800	\$205,350	\$15,800
Strawn Construction Inc. (San Jose)	\$190,355	\$278,850	\$17,050
D.L. Falk Construction (Hayward)	\$180,000	\$192,000	\$38,000
W. E. Lyons Construction Co. (Walnut Creek)	\$143,235	\$160,565	\$9,500
<b>Engineer's Estimate</b>	<b>\$35,000</b>	<b>\$80,000</b>	<b>\$12,500</b>
California Plus Engineering, Inc (Campbell)	\$85,000	\$105,000	\$15,000
S&H Construction (Fremont)	\$128,000	\$138,000	\$13,000

In addition to the base bid scope of work, Bid Alternates Nos. 1, 2, and 3 are recommended for award.

*Bid Price Analysis*

Section 3-1.01D of the City of San José Special Provisions (Bid Alternate) specifies how the City will determine the low bid when bid alternates are included. The section requires the City to determine the low bid by adding each of the bid alternate 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 \$4,964,500.

Paragon Mechanical, Inc. did not submit a bid for the entire project and, as such, their bid was deemed non-responsive. The bids from W.E. Lyons Construction Co. and S&H Construction were deemed non-responsive for failing to meet the City's experience requirements. S&H Construction's bid was also deemed non-responsive for failing to submit required California Air Resources Board In-Use Off-Road Diesel-Fueled Certificates of Reported Compliance for itself and its subcontractors. California Plus Engineering, Inc.'s bid was deemed non-responsive for failing to submit a required form.

The low bid submitted by City Building Inc. to include the base bid and bid alternates is in the amount of \$4,599,178 and is approximately 10% below the Engineer's Estimate. A thorough bid analysis was performed by the design consultant and City staff. The bid submitted by City Building Inc. is considered acceptable for the work involved in the Project and current market conditions.

#### *Contractor Responsibility Analysis*

City Building, Inc. has one ongoing project under construction for the City of San José. In addition, staff conducted a reference check on a recently completed tenant improvement project at San Francisco Public Utilities Commission Railroad Roundhouse in San Francisco and concluded that the contractor possesses the experience necessary for this project.

#### *Contingency*

San José Municipal Code Section 27.04.050 provides for a standard contingency of 15% on public works contracts involving the renovation of a building or buildings. The standard 15% 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 9, 2024, and again on May 14, 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 not a local business enterprise. However, several local business enterprises are listed as subcontractors on this project: California Roofing Co. Inc. (San José) will be performing roof work valued at approximately \$460,000. Blue Arc Electric (San José) will be performing electrical work valued at approximately \$750,000. Future Flooring Group (San José) will be performing flooring work valued at approximately \$10,000. Axis Mechanical (San José) will be performing HVAC work values at approximately \$770,000.

Construction is scheduled to begin in August 2024, with anticipated completion in May 2025.

**COST SUMMARY/IMPLICATIONS**

This Project supports the Neighborhood Services City Service Area goal to extended emergency operations, including the coordination of mass care and shelter facilities. The construction of the Project will prepare the community center to be a shelter ready site during a disaster. The source of funding for this Project is the Public Safety and Infrastructure Bond. This Project is expected to have no net operating and maintenance costs.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$1,497,945
Construction	4,599,178
Contingency	689,877
<b>TOTAL PROJECT COSTS</b>	<b>\$6,787,000</b>
Prior Years' Expenditures and Encumbrances	(550,987)
<b>TOTAL REMAINING PROJECT COSTS</b>	<b>\$6,236,013</b>

\* Project delivery includes \$595,784 for design services and \$902,161 for construction management and inspection services.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT:

General Requirements	\$650,620
Allowances: site and off-site utility, emergency erosion control, signage, Fire Department permit and inspection fees	80,000
Existing conditions, concrete, metals, wood, plastics, composites, thermal and moisture protection, openings, finishes, specialties, equipment, conveying equipment, fire suppression, plumbing, mechanical, electrical, generator, communications, electronic safety and security earthwork, and exterior improvements.	3,575,204
Bid alternate No.1: Laundry room	89,286
Bid Alternate No.2: Replace gymnasium area lights	192,080
Bid Alternate No.3: Provide backup power to fire alarm control panel and intermediate distribution frame	11,988
<b>TOTAL CONSTRUCTION CONTRACT:</b>	<b>\$4,599,178</b>

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### **BUDGET REFERENCE**

The table below 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 #	Appn. Name	Total Appn	Rec. Budget Action	2024-2025 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
498	418K	Measure T – Community Centers/ Emergency Centers	\$6,000,000	N/A	457	N/A

\* The 2024-2025 Capital Budget and the 2025-2029 Capital Improvement Program is scheduled to be adopted by City Council on June 18, 2024. There is \$7.6 million budgeted for this project, with \$6.0 million allocated in 2024-2025 and \$1.6 million allocated in 2025-2026. Should it be determined that the spending plan must be accelerated, staff will return with budget actions for City Council approval during the budget process.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney’s Office, the City Manager’s Budget Office, the Parks, Recreation, and Neighborhood Services Department, and the Planning, Building, and Code Enforcement Department.

### **CEQA**

Categorically Exempt, File No. ER24-070. CEQA Guidelines Section 15301, Existing Facilities.

/s/  
MATT LOESCH  
Director of Public Works

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

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