



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** SEE BELOW

**DATE:** April 29, 2024

Approved

Date

5/8/24

**COUNCIL DISTRICT: 7**

**SUBJECT: ACTIONS RELATED TO THE 10287 – NEW GENERATORS AT THE  
CENTRAL SERVICE YARD AND FIRE TRAINING CENTER RE-BID**

## **RECOMMENDATION**

Adopt a resolution authorizing the Director of Public Works to:

- a) Award and execute a contract for the construction of the 10287- New Generator at the Central Service Yard and Fire Training Center Re-Bid to the lowest responsive, responsible bidder in an amount not to exceed \$3,000,000;
- b) Decide any timely bid protest(s) and make the City's final determination as to the lowest responsive bidder that is responsible as needed to award the contract; and
- c) Approve a contingency in the amount of 10% of the contract amount.

## **SUMMARY AND OUTCOME**

The 10287 - New Generator at the Central Service Yard and Fire Training Center Re-Bid (Project) is one of the projects at the Central Service Yard funded by the lease revenue bonds. The Project will replace an existing backup power generator at the Central Service Yard and potentially install a new backup generator that serves the recently constructed Fire Training Center. Approval of the recommendation will allow the City to award and execute the contract in a timely manner for the City to meet the spending obligation, at least 85%, of the Lease Revenue Bonds funding, by November 2024.

Approval of a 10% contingency will provide funding for any unanticipated work necessary for the proper completion and/or construction of the Project.

## **BACKGROUND**

The existing generator at the Central Service Yard, located at 1661 Senter Road in San José, is more than 30 years old and has surpassed its useful life (**Attachment** –Location Map- 10287-New Generators at the Central Service Yard and Fire Training Center Re-bid). The manufacturer does not support the maintenance nor does it carry replacement parts for the existing generator. The generator primarily serves as a backup power source for buildings at the Central Service Yard, which houses field and office staff from History San José and the Departments of Public Works, Police, and Fire. The Project base bid includes the replacement of the existing generator to ensure the necessary power backup needed for the critical operation of the variety of City services. The newly installed generator will have a 10-year warranty with an option for an extension.

In addition to the base bid of the scope of work, there is one bid alternate that includes the installation of a generator at the new Fire Training Center building adjacent to the Central Service Yard. The Fire Training Center building is mainly used by the Fire Department staff, but during emergencies, it will also be used as an annex building to support the Emergency Operation Center. Therefore, it is essential to install a generator for the Fire Training Center building, pending bids received and availability of funding.

The initial project was advertised on February 21, 2024 and received two bids on March 28, 2024. However, both bidders were considered non-responsive. The City elected to re-bid this Project with the following edits: lowering the bidder's project experience amount from \$600,000 to \$250,000 and adding a project labor agreement requirement.

Pending responsive bids, construction is scheduled to begin in August 2024, with completion in November 2025, due to the long lead time of materials.

## **ANALYSIS**

The Project is funded by the Lease Revenue Bonds. One of the requirements of the bond is for the City to spend 85% of the bond funding by November 2024. Due to an unsuccessful public bidding in March 2024, the City had to re-bid the Project in mid-April 2024, with a scheduled bid opening date in mid-May. The Project has a demanding schedule to meet the funding spending obligation. The delegation of authority to the Public Works Director will allow the Project to move forward and avoid delays expending funding.

### *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 will review bidders for compliance with the City’s Wage Theft Prevention Policy prior to award of contract.

*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 Outreach*

Procurement staff uses Biddingo to conduct 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.

**EVALUATION AND FOLLOW-UP**

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

**COST SUMMARY/IMPLICATIONS**

This Project supports the Strategic Support City Service Area goal to provide safe and functional public infrastructure, facilities, and equipment. The replacement generators will provide essential backup power for multiple buildings at the Central Service Yard. The source of funding for this Project is through the 395 – Service Yards Purpose Fund. Additional funding will be allocated at the time of award. This Project will have no net operation and maintenance costs.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$573,000
Construction (Engineer’s Estimate)	2,400,000
Contingency	240,000
<b>Total Project Costs</b>	<b>\$3,213,000</b>
Prior Year Expenditures	\$44,112
<b>TOTAL REMAINING PROJECT COST</b>	<b>\$3,168,888</b>

\*Project delivery includes \$86,983 for design services and bidding and \$486,017 for construction management and inspection services.

**2. COST ELEMENTS OF ENGINEER’S ESTIMATE:**

Central Service Yards Building A Generator - Base Bid	\$1,200,000
Fire Training Center Building 1 Generator - Bid Alternate 1	\$1,200,000
<b>TOTAL ESTIMATED PROJECT COST</b>	<b>\$2,400,000</b>

**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	Amt. for Contract	2023-2024 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
395	428D	Central Service Yard - Service Yards Generators Replacement	\$1,609,000*	N/A	\$1,200,000	1259	10/17/2023, Ord. No. 30966
<b>Total Current Funding Available</b>			<b>\$1,609,000</b>		<b>\$1,200,000</b>		

\*Additional funding will be allocated from other Lease Revenue Bonds fund projects at time of award.

**COORDINATION**

This Project and memorandum have been coordinated with the City Attorney’s Office, City Manager’s Budget Office, and the Departments of Fire and Planning, Building, and Code Enforcement.

**PUBLIC OUTREACH**

This memorandum will be posted on the City’s Council Agenda website for the May 21, 2024 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

April 29, 2024

**Subject: Actions Related to the 10287 – New Generators at the Central Service Yard and Fire Training Center Re-Bid**

Page 5

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Determination of Consistency with the Mitigated Negative Declaration for Project Name (Resolution No. 79804), File No. ER20-180.

### **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

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

**ATTACHMENT**– Location Map 10287- New Generators at the Central Service Yard and Fire Training Center Re-Bid

Attachment – Location Map  
**10287 – NEW GENERATORS AT THE CENTRAL SERVICE YARD AND FIRE  
TRAINING CENTER RE-BID**

