

**2.12 Report on Bids and Award of Contract for 10327 – On-Call General Engineering Construction Contract for Capital Improvement Projects.**

**Recommendation:**

Report on bids and award of a contract for 10327 – On-Call General Engineering Construction Contract for capital improvement projects to the lowest responsive, responsible bidder, Rodan Builders, Inc., in the amount of \$3,000,000 for a duration of three years.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Public Works)



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** SEE BELOW

**DATE:** April 15, 2024

Approved

Date

4/24/24

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR 10327 – ON-CALL GENERAL ENGINEERING CONSTRUCTION CONTRACT FOR CAPITAL IMPROVEMENT PROJECTS**

**RECOMMENDATION**

Report on bids and award of a contract for 10327 – On-Call General Engineering Construction Contract for capital improvement projects to the lowest responsive, responsible bidder, Rodan Builders, Inc., in the amount of \$3,000,000 for a duration of three years.

**SUMMARY AND OUTCOME**

Approval of the recommendation will allow the City to execute an on-call construction contract to support the continued implementation of capital improvement projects, namely for the interim housing program and support the City’s initiative to address homelessness citywide.

**BACKGROUND**

The City’s interim housing program is an initiative intended to provide interim housing solutions, support to unhoused residents, and assist with the City’s shelter crisis. The program includes various capital improvement projects for the construction of modular buildings, tiny homes, recreational vehicle parking, safe parking, safe storage, modifications to existing emergency housing sites, and other miscellaneous items to support the program.

To ensure the successful and timely implementation of the program, the City issued a request for bidders with the aim to on-board an on-call construction contractor in the amount of \$3,000,000 for a duration of three years or until the compensation level has been reached. Under this contract, task orders will be issued for construction work, which may include demolition, fencing, striping, landscaping, concrete and paving work, utility connections, public support buildings, ancillary buildings, and/or emergency housing structures. This contract requires the contractor to have all equipment and resources necessary to perform this range of work and made available on an as-needed basis.

The original request for bidders was advertised on May 31, 2023 with a submission deadline of June 29, 2023. No bids were received, and the Public Works Department decided to re-bid the contract.

**ANALYSIS**

Bids were opened on October 12, 2023, with the following results:

| <b><u>Contractor</u></b>                                  | <b><u>Overhead and Profit Markup Rate (Percent)</u></b> |
|---|---|
| Rodan Builders, Inc.<br>(Hayward)                         | 8   |
| Yerba Buena Engineering & Construction<br>(San Francisco) | 10  |
| Redgwick Construction Co.<br>(Oakland)                    | 16  |

Pursuant to San José Municipal Code Section 27.06.070B(1)(a), the low bidder was determined by the lowest “overhead and profit markup” rate. Rodan Builders, Inc. submitted the lowest rate, 8%, which staff considers to be reasonable for this type of work.

Rodan Builders, Inc. has held several Public Works Department construction contracts. Rodan Builders, Inc. held a similar on-call construction contract in 2019 for minor public works projects and is currently constructing the 101201 – SJC Airport Accessibility Upgrades Phase 3A – Terminal Buildings Project, which is anticipated to be completed this fall.

*Wage Theft Prevention Policy Check*

The Office of Equality Assurance reviewed bidders for compliance with the City’s Wage Theft Prevention Policy on March 29, 2024. No wage theft issues were identified.

*Project Labor Agreement Applicability*

The City’s Project Labor Agreement is applicable to this project because the total construction contract amount is over \$1.22 million.

**EVALUATION AND FOLLOW-UP**

Task orders under the on-call construction contract will be approved by the Director of Public Works under the minor public works threshold, currently \$750,000. No additional follow-up action with the City Council is anticipated at this time.

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### **COST SUMMARY/IMPLICATIONS**

No funding is needed to approve the on-call contract recommended for award in this memorandum. Funding sources will be identified prior to the issuance of task orders to the contractor as detailed scopes of work are defined and cost and schedules are negotiated, subject to the appropriation of funds.

### **COORDINATION**

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

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the May 7, 2024 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

### **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).