



Agenda Report

19-1591

Agenda Date: 1/29/2019

REPORT TO COUNCIL

SUBJECT

Action on Award of Contract for the Bowers and Machado Parks Playground Rehabilitation Project (CE17-18-14)

BACKGROUND

One of the City Council's goals is to enhance community sports and recreational assets to meet the needs of residential growth and build a vibrant and healthy community for current and future residents. In addition, it is vital to rehabilitate existing parks infrastructure to meet current codes and the increased community demand for recreation facilities, programs, and activities.

In August 2017, Verde Design, Inc. was hired to conduct community outreach, develop contract plans and specifications, and provide bidding and construction services for the Bowers and Machado Parks Playground Rehabilitation Project ("Project"). The Project consists of rehabilitation and expansion of playground equipment and surfacing, walkways, landscaping, irrigation systems, and installation of new water and sewer systems for new drinking fountains.

DISCUSSION

On November 28, 2018, bids were opened for construction of the Project. Three bids were received ranging from \$950,802 to \$1,174,350; the Bid Summary is included as Attachment 1.

The lowest bid in the amount of \$950,802, submitted by Star Construction, Inc., was reviewed by the Department of Public Works and the City Attorney's Office; however, it was deemed to be non-responsive. The bid did not meet the Project bid requirements and failed to provide necessary required information at the time of bid submission. This included information and documents related to the bidders capability to provide required performance and payment bonds and insurance. The bidder also failed to complete and submit the bid requirements for human and physical resources.

The second apparent low bidder, Redwood Construction and Equipment, Inc. (RCE) submitted a bid in the amount of \$1,169,000, which is 17.4% above the Engineer's Estimate of \$995,356.57. RCE's bid was reviewed for compliance with the terms and conditions of the Bid Documents and has been determined to be the lowest responsive and responsible bidder. The variance between RCE's bid and the Engineer's Estimate can be attributed to the current economic climate with abundant work in the public and private sectors. While two of the three bids are higher than the engineer's estimate, staff recommends awarding the contract to RCE as there is no guarantee that re-bidding the project in the current economic climate will produce a substantially lower bid result.

The Project is scheduled for completion by fall 2019.

ENVIRONMENTAL REVIEW

This project being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301, "Existing Facilities," as the activity consists of the repair, maintenance or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing.

FISCAL IMPACT

The cost of the construction contract is \$1,169,000 plus a 10% contingency, or \$116,900, for any potential change orders for a total not-to-exceed contract amount of \$1,285,900. Capital Improvement Project (CIP) 3178 - Playground Construction is currently supporting improvements of playgrounds at Bowers, Machado, Homeridge, Agnew and Fuller Street Parks. At this stage, sufficient funding is available from the current annual allocation and carry over balance from

the prior year to complete the Bowers and Machado Park Playground Project. However, due to escalating construction costs, additional allocations will be required to complete the construction of the remaining three parks and will be requested at the time of construction awards in 2019 or as part of a future capital budget development process. Sufficient funds for this portion of the project were included in the FY 2018/19 Adopted Capital Improvement Program Budget.

COORDINATION

This report has been coordinated with the Finance Department, City Attorney's Office, and Parks and Recreation Department.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Award the Public Works Contract for the Bowers and Machado Parks Playground Rehabilitation Project (CE 17-18-14) to the lowest responsive and responsible bidder, Redwood Construction and Equipment, Inc., in the amount of \$1,169,000 and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project; and
2. Authorize the City Manager to execute change orders up to approximately 10% of the original contract price, or \$116,900, for a total not to exceed amount of \$1,285,900.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary