



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng
Jill Bourne

**SUBJECT: EDENVALE BRANCH
LIBRARY PROJECT**

DATE: August 6, 2013

Approved

Date

COUNCIL DISTRICT: 2

REASON FOR SUPPLEMENTAL

To provide additional information obtained after bids were opened.

RECOMMENDATION

- a. Report on bids and award of contract for the Edenvale Branch Library Project to the low bidder, John Plane Construction Co., Inc., to include the base bid and Add Alternate No. 1, in the amount of \$7,336,000, and approval of a contingency in the amount of \$733,600.
- b. Adopt a resolution approving the Edenvale Branch Library Project and incorporating environmental mitigation measures as set forth in the Mitigation Monitoring and Reporting Program for the project.

BACKGROUND

A memorandum dated July 22, 2013 was forwarded to City Council for the August 13, 2013 Council meeting. The purpose of this supplemental memorandum is to provide additional information obtained after the bid opening.

ANALYSIS

Bids were opened on July 25, 2013 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alternate</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Robert A. Bothman Const. (San José)	\$8,035,000	\$13,500	\$8,048,500	\$781,500	3
Zovich Const. (Hayward)	7,950,000	35,000	7,985,000	845,000	2
Gonsalves & Stronck (San Carlos)	7,815,500	21,500	7,837,000	993,000	--
Engineer's Estimate	7,800,000	30,000	7,830,000	--	--
Hagensen Pacific Constr. (San José)	7,590,000	42,000	7,632,000	(1,198,000)	(3)
John Plane Constr. (Burlingame)	7,299,000	37,000	7,336,000	(1,494,000)	(6)

The low bid submitted by John Plane Construction, to include the base bid and Add Alternate is six percent below the Engineer's Estimate. The cost estimating consultant provided the estimate based on a steady trend of high construction costs experienced over the last several years.

Volatile conditions that continue to influence the construction market, such as labor and material shortages are resulting in estimating uncertainty. Staff considers the low bid submitted for this project to be competitive and legitimate for the work to be performed and recommends award of contract to John Plane Construction.

Council Policy provides for a standard contingency of ten percent on public works projects involving the construction of a building. Staff considers the standard contingency appropriate for this project.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$ 2,482,000 *
Construction (See Cost Breakdown Below)	7,336,000
Contingency	<u>733,600</u>
TOTAL PROJECT COSTS	\$10,551,600
Prior Year Expenditures	1,099,821
REMAINING PROJECT COSTS	\$ 9,451,779

*A total of \$1,099,821 was expended/encumbered through 2013-2014 for Project Delivery costs.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT

Architectural Plan Review and Coordination	\$ 200,000
Site Preparation	400,000
Materials	3,000,000
Labor	2,000,000
Plumbing Sub-Contractor	500,000
Electrical/HVAC Sub-Contractor	750,000
Construction Management	486,000
TOTAL CONSTRUCTION CONTRACT	\$ 7,336,000

3. SOURCE OF FUNDING: 472 – Branch Libraries Bond Projects Fund

4. OPERATING COST: The new Edenvale Branch will have a net operating and maintenance impact of \$1.2 million annually starting in FY 2014-15.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2013-14 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$9,451,779			
472	4319	Edenvale Branch	\$10,017,000*	\$7,336,000	V-451	NA

* Additional funding of \$153,000 is budgeted in the Branch Libraries Bond Projects Fund in 2013-2014 for project costs.

BARRY NG
Director of Public Works

JILL BOURNE
Library Director

For questions please contact Michael O’Connell, Deputy Director, Public Works Department, at 408-535-8300.