



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt a Resolution to Approve Project Plans &amp; Specifications; Award the Construction Contract to McGuire and Hester; and Authorize Design Services Agreement Amendment No. 3 with IBI Group Architectural Planning for McCandless Park, Project No. 2005, 5102, 7076.</b>
<b>Category:</b>	Consent Calendar-Community Services and Sustainable Infrastructure
<b>Meeting Date:</b>	4/20/2021
<b>Staff Contact:</b>	Steve Erickson, 408-586-3301
<b>Recommendation:</b>	(1) Adopt a Resolution to approve project plans & specifications; (2) award the construction contract to the lowest responsible bidder submitting a responsive bid, McGuire and Hester, in the amount of \$6,303,700; (3) authorize the City Manager to execute the construction contract with McGuire and Hester; (4) authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$945,000 for McCandless Park, Project No. 2005, 5102, 7076; and (5) approve and authorize the City Manager to execute Amendment No. 3 to the Design Services Agreement with IBI Group Architecture Planning for construction support services.

### **Background:**

The McCandless Park Project No's. 2005, 5102, and 7076 ("Project") is in the adopted 2020-2025 Capital Improvement Program. The Project provides for the construction of a new 4-acre City park adjacent to McCandless Drive next to the Mabel Mattos Elementary School. The new park is partially funded through a Santa Clara County All-Inclusive Playground grant and will include play areas for children, sports field, community garden, butterfly garden, picnic areas, dog play areas, pathways, and restrooms facilities.

On November 20, 2018, the City Council approved the concept design for the park. The Project Plans and Specifications are now complete and ready for City Council approval and the Project title sheet (**Attachment 2**) is included in the Council's agenda packet. The complete full-size set of plans and specifications are available electronically upon request to the City Engineer.

The Project will be constructed in three phases to ensure the park is open to the public by January 2023 as specified by the requirements of the all-inclusive playground grant funding agreement with the County of Santa Clara. The first Project phase includes the installation of play areas, community garden, butterfly garden, picnic areas, small dog play areas, pathways, restrooms facilities, irrigation and landscaping, and potable water well and park utility infrastructure. The second Project phase includes construction of the joint use sports field after the completion of the Milpitas Unified School District's Mabel Mattos Elementary School Phase 2 project. The second phase of the City's Project is anticipated to start fall 2022. The final third phase of the Project includes construction of the large dog play area after installation of the potable water well above ground facilities. The anticipated start date for phase three of the Project is fall 2023.

The Engineer's Construction Estimate for the Project is \$7,159,655. The Project specifications require the determination of the lowest bid to be solely based on the base bid amount.

The Project was advertised on digital construction trade publications on March 5, 2021, and in the Milpitas Post on March 5 and 12, 2021, in accordance with the bidding requirements of the Uniform Public Construction Cost Accounting Act. Bid opening was held on March 23, 2021, and four sealed bids were received.

**Analysis:**

The Summary of Bid Results is as follows and is included in the agenda as **Attachment 3:**

Bidder	Location	Base Bid
<b>Engineer's Estimate</b>		<b>\$7,159,655</b>
McGuire & Hester, Inc.	Alameda, CA	\$6,303,700
Marina Landscape, Inc.	Orange, CA	\$6,353,450
Galeb Paving, Inc.	Saratoga, CA	\$7,341,755
Suarez & Munoz Construction	Alameda, CA	\$7,898,200

The bid pricing submitted varies between 12% under to 10% over the Engineer's Estimate. The range of variation in bid pricing from the Engineer's Estimate is likely due to the current construction market which has slowed because of the COVID-19 pandemic. The lowest responsible bidder submitting a responsive bid is McGuire & Hester, for the amount of \$6,303,700.

Staff recommends the City Council adopt a Resolution (**Attachment 1**) to approve the plans and specifications for the Project and award a construction contract to McGuire & Hester, for a total contract amount of \$6,303,700. There is sufficient funding available in the Project budget to award this contract and no additional funding appropriation is required.

The construction contingency established for this Project is \$945,000 which is 15% of the total contract value. As previously approved for the successful completion of recent projects with tight completion schedules, staff is requesting the use of the same change order policy used for previous projects (**Attachment 4**). This policy allows for a timely completion of the Project, while addressing the need to respond swiftly to construction conditions and approve necessary change orders to limit potential claims or risks to the City. The change order authority will not be exceeded without prior City Council approval.

Staff also recommends the approval of Amendment No. 3 to the Design Services Agreement with IBI Group Architectural Planning (**Attachment 5**) to provide additional compensation for construction support services. Construction support services include responding to requests for information (RFI) from the contractor, addressing minor design changes required to complete construction, packaging contract documents for bidding and construction of the large dog play area and sports field, if necessary, and design and construction coordination with Milpitas Unified School District's school, McCandless Well, and Pedestrian Bridge projects. Staff has negotiated a scope and fee for Amendment No. 3 for a price not to exceed \$120,000, which is considered reasonable for the scope of services. No additional funding appropriation is required for Amendment No. 3 to the Design Services Agreement with IBI Group Architectural Planning.

**Policy Alternatives:**

**Alternative 1:** Deny approval of Project plans and specifications and not award the construction contract for the construction of the Project.

**Pros:** None.

**Cons:** A denial would cause delay in completing the Project and may jeopardize completion of the Project within the deadline for the grant, which is January 2023.

**Reason not Recommended:** The grant funding agreement with County of Santa Clara stipulates that the all-inclusive playground is to be open to the public by January 2023. A delay in the completion of the Project will result in loss of grant funding for both the City and Milpitas Unified School District's play areas.

**Fiscal Impact:**

Adequate funds are available in the Project budget and no additional funding appropriation is required.

As of 3/31/2021, uncommitted balance of the Projects is as follows:

McCandless Park (CP 5102)	\$8,037,817
Well Upgrade Project (CP 7076)	\$5,958,991
<b>Total Balance Available</b>	<b>\$13,996,808</b>

**Summary of Estimated Construction Cost:**

Base Bid Amount	\$6,303,700
15% Construction Contingency	\$945,000
Administration and Inspection	\$300,000
Design Services Agreement – Amendment No. 4	\$120,000
<b>Total</b>	<b>\$7,668,700</b>

**California Environmental Quality Act:**

In accordance with California Environmental Quality Act Guidelines Section 15164, an Addendum to the June 3, 2008 Transit Area Specific Plan Environmental Impact Report to address minor changes and additions was created and adopted by the City Council on February 4, 2020.

**Recommendation:**

(1) Adopt a Resolution to approve project plans & specifications; (2) award the construction contract to the lowest responsible bidder submitting a responsive bid, McGuire and Hester, in the amount of \$6,303,700; (3) authorize the City Manager to execute the construction contract with McGuire and Hester; (4) authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$945,000 for McCandless Park, Project No. 2005, 5102, 7076; and (5) approve and authorize the City Manager to execute Amendment No. 3 to the Design Services Agreement with IBI Group Architecture Planning for construction support services.

**Attachments:**

Attachment 1: Resolution

Attachment 2: Title Sheet & Location Map

Attachment 3: Bid Results

Attachment 4: Change Order Policy

Attachment 5: IBI Agreement Amendment No. 3

Attachment 6: Agreement Amendment No. 3 Exhibit A