



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Approve Project Plans and Specifications, and Award a Construction Contract to CRW Industries, Inc. for the Alviso Adobe Renovation (Phase V - Interior Restoration), Project No. 5055
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	9/17/2019
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Adopt a Resolution to Approve Project Plans and Specifications for the Alviso Adobe Renovation (Phase V – Interior Restoration), Project No. 5055, to award a construction contract to and authorize the Interim City Manager to execute the contract with the lowest responsible bidder submitting a responsive bid, CRW Industries, Inc., in the amount of \$523,900, and to authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$160,000 for the Project

Background:

The City purchased the historic Alviso Adobe property, located at 2087 Alviso Adobe Court in 1997 with the intention of renovating the buildings and constructing a new City park. Capital Improvement Project No. 5055 was started in 1999 to construct the two-acre Alviso Adobe Park, and to restore the historic buildings which were originally constructed in the 1850s.

Park construction was to be completed in five phases over several years. Project phases include:

- Phase 1 Replacement of the Adobe building's roof – completed in 1999;
- Phase 2 Site and drainage improvements – completed in 2008;
- Phase 3 Adobe Building exterior renovation and seismic upgrade – completed in 2010;
- Phase 4 Park construction, out building restoration – completed in 2013;
- Phase 5 Restore interior of the Adobe - Final Phase to be completed

Phase 5 of the Alviso Adobe Park Project, Project No. 5055 ("Project") is included in the 2019-24 Capital Improvement Program. This Project represents the final phase and provides for the interior restoration of the first floor of the Adobe, and includes the installation of period correct furnishings, exhibits, signage, and visual media to replicate the experiences of an original Spanish-Mexican Era Adobe home. The interior restoration work provides for building code upgrades to allow public visitation, stabilization and restoration of existing finishes and fixtures such as wallpaper, fireplaces, wainscoting, wood ceilings, and furniture. The installation of the furnishings, exhibits, interpretive signage, and visual media will be completed under a separate contract for completion of the interior renovation work.

On May 16, 2017 the City Council approved the concept design for the interior renovation. The final construction plans and specifications were completed and advertised for construction bid proposals. A copy of the plans is included as **Attachment 2**. The complete set of plans and specifications are available for review at the office of the City Engineer.

The Project was advertised for bid proposals in the Milpitas Post on April 26 and May 3, 2019, and bid opening was held on August 1, 2019. The bid documents included one Add Alternate bid item "A". Add Alternate bid

item “A” provides for the removal and replacement of deteriorating pavement within the parking area and pathways. The Engineer’s estimate for the Project is \$365,000.

Analysis:

The lowest responsible bidder submitting a responsive bid is CRW Industries, Inc., in the amount of \$465,000. No bid protests were filed with the City in regards to this Project.

The Summary of Bid Results is shown in **Attachment 3** and in the table below:

Bidder	Location	Base Bid	Add Alternate Bid Item	Total Bid Price
CRW Industries, Inc.	Scotts Valley, CA	\$465,000	\$58,900	\$523,900
Cal-Pacific Construction, Inc.	Pacifica, CA	\$632,000	\$336,000	\$968,000
City Engineers Estimate		\$300,000	\$65,000	\$365,000

The basis for award is the lowest responsive base bid.

The bid price from CRW Industries, Inc., exceeds the Engineer’s Estimate by \$158,900 (55%). Staff contacted the contractor and the City’s architectural consultant to determine why bid pricing received was higher than the engineer’s estimate. Reasons for the higher than anticipated pricing are a result of the specialized nature of this type of construction; small pool of bidders; and a saturated and high cost Bay Area construction market. The contractors also expressed concern of the unknown and unforeseen conditions anticipated to be found once work starts on the Adobe renovation work.

Staff reviewed the bid proposals and market conditions and determined that it is unlikely that bid pricing would improve if the Project were re-advertised at a later date. Therefore, Staff recommends awarding the construction contract to CRW Industries, Inc., for the Base Bid and Alternate Bid Item A in the total contract amount of \$523,900. There are sufficient funds available within the Project budget to award a contract, and no additional funding appropriation is required to award this contract for the interior Adobe renovation work. Additional funding may be required for the future contract to provide period furnishings, interpretive signage, exhibits, and the visual media. If needed, staff will request additional funding for the future contract as part of the 2020-25 Capital Improvement Program.

As previously approved for the successful completion of complicated projects with tight completion schedules, staff is requesting the use of the same change order policy, see **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 in order to limit potential claims or risks to the City. The construction contingency established for this Project is \$160,000, approximately 30% of the total contract value, due to the specialized nature of this work and potential unknowns in working on a historic building and to eliminate the rodent issue. The change order authority is not anticipated to exceed this amount, and the Project would not require additional appropriation.

Policy Alternatives:

Alternative 1: Not adopt resolution approving the Plan and Specification, awarding the construction contract for the Project, and establishing the change order authority of the Engineering Director/City Engineer.

Pros: None

Cons: Not awarding the Project will prevent completion of the Adobe interior renovation work and delay the completion of the Alviso Adobe Park.

Reason not Recommended: Staff believes the bid pricing received is reasonable for the work to be completed, recommends awarding the construction contract for the Project and completing the final phase of the Alviso Adobe Park project.

Alternative 2: Reject all bids, revise the bid documents to reduce the scope of the Adobe restoration work, re-advertise the Project for bid proposals, and open new bids at a future date.

Pros: Reducing the scope of the restoration work may reduce the cost of the Project, may attract more bidders, and may result in lower bid pricing.

Cons: Reducing the scope of the restoration work will eliminate key components of the Adobe restoration resulting in a partially complete finished product and will require additional design services at added cost. A revision of Project scope does not guarantee the number of new bidders or lower pricing, especially in the Bay Area construction market that is experiencing 2% monthly cost increases.

Reason not recommended: Staff believes the bid pricing received is reasonable for the work to be completed, recommends awarding the construction contract for the Project and completing the final phase of the Alviso Adobe Park project.

Fiscal Impact:

There are sufficient funds available in the Project budget to award the construction contract to CRW industries, Inc. for the interior Adobe renovation work provided by this contract. Additional funding may be required for the future contract to provide period furnishings, interpretive signage, exhibits, and the visual media. If needed, staff will request additional funding for the future contract as part of the 2020-25 Capital Improvement Program.

Available Project Budget	\$1,880,978
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Estimated Costs for Interior Restoration work:

Construction Contract	\$523,900
30% Construction Contingency	\$160,000
Administration and Inspection	\$50,000
Interior Restoration Total Estimated Cost	\$733,900

Estimated Costs for Exhibit work:

Estimated Media Consultant Contract	\$550,000
Estimated Exhibits Installation	\$425,000
30% Construction Contingency	\$127,500
Administration and Inspection	\$44,578
Exhibit Total Estimated Cost	\$1,147,078
Overall Total Estimated Cost	1,880,978

The estimated annual maintenance cost for the new building improvements is \$7,500. As part of the development of future budgets, the Public Works Facilities Maintenance Budget will be reviewed, and a recommendation may be brought forward to adjust the budget for the additional maintenance cost.

California Environmental Quality Act: This Project has an approved Mitigated Negative Declaration.

Recommendation:

Adopt a Resolution to Approve Project Plans and Specifications for the Alviso Adobe Renovation (Phase 5 – Interior Restoration), Project No. 5055, award a construction contract to and authorize the Interim City Manager to execute the contract to the lowest responsible bidder submitting a responsive bid, CRW Industries,

Inc., in the amount of \$523,900, and authorize the Engineering Director/City Engineer to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$160,000 for the Project.

Attachments:

Attachment 1: Resolution

Attachment 2: Constructions Plans

Attachment 3: Bid Results

Attachment 4: Change Order Policy