



Legislation Text

File #: 23-226, **Version:** 1

Adopt a Resolution to Award a \$4,217,305 Construction Contract to Suarez & Munoz Construction, Inc. for Memorial Park Improvements Project, Project No. 2020.3040; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% (or \$210,866) of the Original Contract Amount; to Authorize the City Manager to Negotiate and Approve Change Orders up to a Cumulative Value not to Exceed 15% (or \$632,596) of the Original Contract Amount; and to Appropriate an Additional \$470,000 from General Funds to the Subject Project

COUNCIL PRIORITY

· Infrastructure

SUMMARY

This contract provides for the complete renovation of Memorial Park including installation of an all-abilities playground.

RECOMMENDATIONS

Staff recommends the following actions:

- Award a construction contract to Suarez & Munoz Construction, Inc. in the amount of \$4,217,305 for Memorial Park Improvements Project, Project No. 2020.3040;
- Authorize the City Manager to negotiate and approve individual change orders up to 5% (or \$210,866) of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value of 15% (or \$632,596) of the original contract amount; and
- Appropriate an additional \$470,000 to the subject project.

BACKGROUND

Memorial Park, at the corner of Bancroft Avenue and Callan Avenue was originally dedicated in 1938 and expanded to its current size and configuration in the early 1970s. Except for the play equipment, which was updated almost 20 years ago, the facilities have reached the end of their useful lives. The restroom, shade structures, walkways, irrigation, and lighting need to be replaced.

In 2019, the City conducted public outreach and prepared a conceptual plan for the renovation of Memorial Park. The conceptual plan included replacement of the restroom, shade structures, walkways, lighting, irrigation, and play structures. The new park includes an all-abilities playground, which is an area that enables people of all levels of physical mobility to participate, interact, and engage with their surroundings and others.

City received and accepted two grants in the amount of \$2,750,000 in State Earmark grant funds and \$232,958 in State of California Department of Parks and Recreation Per Capita Proposition 69 grant funds in December 2021 and March 2022, respectively.

Analysis

A total of 4 bids were received ranging from \$4,217,305 to \$4,551,000, the pre-bid engineer's estimate was \$3,806,301. Staff recommends award to the apparent lowest responsible bidder, Suarez & Munoz Construction, Inc. in the amount of \$4,217,305. Staff verified that the contractor has a valid Contractor's State License Board license and is registered with the California Department of Industrial Relations.

None of the bidders have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. The third lowest bidder met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value; however, the \$50,000 preference allowed for meeting the goal did not make this bid the lowest. Suarez & Munoz Construction, Inc. did provide documentation that demonstrated good faith efforts to outreach and engage local business participation.

As is standard in the construction industry, staff balanced site investigation costs with the risk of finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. To minimize delays to the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests authorization to negotiate and approve individual change orders up to 5% (\$210,866) of the original contract amount and cumulative change orders up to 15% (or \$632,596) of the original contract amount. This will help to ensure efficient completion of the project on budget and on schedule.

The lowest bid is \$411,004 above the engineer's estimate and additional funds are required to construct the project. Including a 15% contingency results in a shortfall of \$472,654. Staff requests an additional appropriation in the amount of \$470,000 to this project to ensure successful completion.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure

Previous Actions

- On December 6, 2021, by Resolution No. 2021-173, the City Council accepted grant funds for this project
- On June 21, 2022, by Resolution No. 2022-093, the City Council approved a Consulting Services Agreement with RRM Design Group for Design of Memorial Park Improvements
- On December 19, 2022, by Resolution No. 2022-229, the City Council reappropriated grant funding from Thrasher Skate Park and appropriated additional required funding for Memorial Park Improvements

Committee Review and Actions

The City Council Facilities and Transportation Committee received a presentation on this project on May 4, 2022, and recommended renovating the entire Memorial Park using both the grant funds and local funds.

Applicable General Plan Policies

Policy OSC-1.1 Park Rehabilitation, encourages the rehabilitation of the City’s parks to provide residents of all ages and physical capabilities with access to as wide a variety of recreational experiences as possible. Park improvements should maintain a balance between active and passive recreation areas and should ensure that the park system benefits a diverse range of user groups.

Environmental Review

This project is categorically exempt per California Environmental Quality Act (CEQA) per section 15268 The Notice of Exempt was filed with the Alameda County Clerk Office and recorded on October 19, 2021.

Board/Commission Review and Actions

The Recreation and Parks Commission received an update on the project on November 6, 2019, and a presentation on the project on March 3, 2021.

Summary of Public Outreach Efforts

Five meetings with focus groups were held in July 2019.

The Notice to Bidders was published in the Daily Review, the South County Post, and Visión Hispana. Staff also notified twenty-three builders’ exchanges and construction data firms, as well as a list of contractors that asked to be notified of bidding opportunities via email. The project is described on the Engineering and Transportation Department website.

Two mandatory pre-bid meetings were held on April 25, 2023, and April 26, 2023. The intent of these meetings was to inform bidders of the project details, including the City’s Local Inclusion Ordinance and address any questions bidders may have.

An additional public meeting is planned for July 27, 2023.

Financial Impacts

This CIP will require additional Council appropriation of \$470,000 for Fiscal Year 2023-2024, which will be a reallocation from Fiscal Year 2022-2023 citywide salary savings.

The cost of this multi-funded project is detailed below:

Design and Bid	\$360,000	
Construction Contract		\$4,217,305

Construction Contingency	\$632,596
<u>Construction Management and Inspection</u>	<u>\$260,000</u>
TOTAL	\$5,469,901

The project is funded as follows:

<u>Account No.</u>	<u>Reso and Source</u>	<u>Amount</u>
150-62-142	2021-173, State Earmark Grant	\$2,750,000
150-62-143	2022-229, State Per-capita Prop 69 Grant	\$232,958
<u>210-62-142</u>	<u>2022-229, General Fund</u>	<u>\$2,017,042</u>
	Total	\$5,000,000

Appropriation requested by this action:

<u>210-62-142</u>	<u>General fund</u>	<u>\$470,000</u>
	Total	\$5,470,000

This Council action was not budgeted and will require an additional appropriation of \$470,000 for this project. The source of these funds will be Fiscal Year 2022-2023 citywide salary savings.

Attachments to Staff Report

Attachment A - Reso

Attachment B - Bid Summary

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