



DATE: June 17, 2025

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt Resolutions Approving Addenda Nos. 1 Through 4 and Awarding a Contract to DeSilva Gates Construction, LLC, for the La Vista Park Project, Project No. 06914 in the Amount of \$32,850,547 in Addition to Approving \$3,942,066 in Administrative Construction Contingency, and Authorizing the City Manager to Execute Amendment No. 3 to the Professional Services Agreement with Langan, and to Execute Amendment No. 1 to the Memorandum of Understanding with the Hayward Area Recreational District for the Funding, Operation and Maintenance of La Vista Park

RECOMMENDATION

That City Council adopts two resolutions:

- (1) Approving Addenda Nos. 1 through 4, which were issued to make minor revisions to the plans and specifications and to answer bidder clarification questions, and awarding a contract to DeSilva Gates Construction, LLC in the amount of \$32,850,547 and authorizing an Administrative Construction Contingency budget of \$3,946,066, for a total not-to-exceed contract amount of \$36,792,613, and authorizing the City Manager to execute Amendment No. 3 to the Professional Services Agreement (PSA) with Langan to increase their contract amount by \$486,600, for a total not-to-exceed amount of \$980,026 (Attachment II); and
- (2) Appropriating \$19,444,000 from Park-in-Lieu Funds (fund 206) to Fund 405 and authorizing the City Manager to execute Amendment No. 1 to the Memorandum of Understanding (MOU) with the Hayward Area Recreational District (HARD) for the Funding, Operations, and Maintenance of La Vista Park (Attachment III).

SUMMARY

Since 2017, the City and HARD have worked toward a shared vision of constructing and operating La Vista Park, a new destination park in South Hayward, east of the intersection

of Mission Boulevard and Tennyson Road. The addition of a destination park will create a much-needed amenity and attraction for South Hayward, the City, and the entire region.

On April 23, 2025, four (4) construction bids were received ranging from \$32,850,547 to \$34,945,319. The low bid was \$32,850,547, which was \$6,412,763, or 24.3% above the Engineer's Estimate of \$26,437,784. Of the 4 bids, 3 bids were within \$121,000, or 0.4% of each other, indicating a competitive bidding environment and that the low bid reflects a reasonable cost of the project.

Staff is requesting City Council approval of Addenda Nos. 1 through 4, which were issued to make minor revisions to the plans and specifications and to answer bidder clarification questions. Staff recommends awarding the construction contract to the lowest responsive and responsible bidder, DeSilva Gates LLC, of Dublin, CA, with the amount of \$32,850,547, and approving an Administrative Construction Contingency (change orders) Budget of \$3,942,066 for a total of \$36,792,613.

Langan is the geotechnical engineering consultant for the La Vista Park project and has performed geotechnical investigations and provided design recommendations and geotechnical reports for the La Vista Park project. Staff is requesting City Council approval to amend the PSA with Langan to include airborne asbestos dust monitoring and geotechnical services during construction of the slope stabilization keyway and park improvements. Langan's services during construction would increase the contract amount by \$486,600 to a not-to-exceed limit of \$980,026.

Due to the low bid exceeding the Engineer's Estimate, an additional \$6,444,000 is needed to fully fund the project. The City negotiated with HARD and both parties agreed the City will increase funding from Park-in-Lieu fees to cover this amount. Staff is requesting City Council approval to amend the MOU with HARD to include this additional funding.

BACKGROUND

In 2005, the La Vista residential development included 179 new single-family homes to be built at the South Hayward site east of (and up the hill from) the terminus of Tennyson Road and Mission Boulevard was approved. The original project included the construction of a new approximately thirty-acre public park. The original thirty-acre park site on land donated by the developer was expanded to almost fifty acres in size by the addition of twenty acres of the former Caltrans Route 238 property right-of-way acquired by the City.

The adopted FY23 CIP budget included a total project budget appropriation of \$23.27M (Fund 405) for the design and construction of the La Vista Park Project. In February 2023, the engineer's estimated cost for construction of La Vista Park without contingency was \$25M. With construction contingency, project design, administration, inspection and testing, the total estimated project cost was over \$35M, which was greater than the appropriated budget. Staff prepared alternate bids with the bid package that would have allowed the project to be phased into multiple phases depending on how the bids were

received. It was intended that at least the first phase would be awarded in 2023 to construct a majority of the park features and the subsequent phases would be constructed in the future when additional funding is obtained.

In June 2023, three (3) construction bids were received for the project ranging from \$41,927,606 to \$47,323,996. With the low bid far exceeding the available budget, the project was fiscally infeasible. As a result, City Council directed Staff to reevaluate and revise the scope of the project to allow a project with a reduced scope to proceed.

The final design of La Vista Park was completed and incorporates the following items and park elements:

- Site grading and construction of the slope stabilization keyway
- Installation of on-site utilities including water lines, sewer lines, and storm water lines
- Installation of new electrical service and infrastructure with pedestrian lights including infrastructure for the future security camera system by HARD
- Installation of irrigation system, trees, and hydroseeding of the entire project site
- Installation of offsite asphalt and concrete sidewalk on Tennyson Road
- Installation of the Foothill trail
- Installation of on-site asphalt, decomposed granite, and gravel paving
- Installation of decorative boulders
- Installation of park signage, vehicular swing gates, and bollards
- Installation of picnic tables, BBQs, benches, and trash and recycle receptacles
- Installation of bike racks and drinking fountains
- Installation of turf sod at the soccer field and amphitheater
- Installation of concrete slide structures, exercise equipment, play equipment, and basketball courts
- Installation of fencing for area separation
- Installation of automated restrooms and maintenance shed
- Installation of a dog park

The California Environmental Quality Act (CEQA) addendum analysis for La Vista Park was completed and presented to the City Council on September 28, 2021, with no further action required per adopted resolution 21-195.

On November 15, 2016¹, City Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. The agreement requires contractors to use local union hiring halls, encourages contractors to employ Hayward residents or Hayward Unified School District graduates, and requires hired workers to pay union dues and other benefit trust fund contributions, etc. Because

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=2882111&GUID=118B2EF9-1D2C-471F-999E-4BE0929706A0>

the construction cost estimate for La Vista Park is more than \$1,000,000, the CWA agreement applies to this project.

DISCUSSION

On April 23, 2025, four (4) construction bids were received for the project with base bids ranging from \$32,850,547 to \$34,945,319. DeSilva Gates Construction, LLC submitted the low bid in the amount of \$32,850,547, which was 24.3% above the engineer's estimate of \$26,437,784. Granite Construction Company submitted the second low bid in the amount of \$32,883,116.40, which was 24.4% above the engineer's estimate. The cost difference between the engineer's estimate and bids received is primarily due to the high costs associated with site work, slope stabilization, and park equipment and amenities. However, as mentioned above, with the three of the four bids all within \$121,000 of each other, the bids reflect the realistic cost of construction. After reviewing the bid documents, the lowest responsive and responsible bidder is DeSilva Gates, LLC, with the amount of \$32,850,547. An additional \$3,942,066, or 12% of the bid amount, is included for administrative construction contingency in the event additional funds are needed for unforeseen conditions and changes during construction.

Geotechnical Consultant Funding Adjustment

On March 26, 2019², City Council approved Resolution No. 19-055, authorizing the City Manager to enter into a Professional Services Agreement with Langan for design-level geotechnical investigation services in an amount not-to-exceed \$198,100.

On May 19, 2020³, City Council approved Resolution No. 20-055, adopting Amendment No. 1 to the PSA with Langan, increasing the contract amount by \$95,300 with a total not-to-exceed amount of \$293,400.

On March 23, 2022⁴, City Council approved Resolution No. 22-067, adopting Amendment No. 2 to the PSA with Langan, increasing the contract amount by \$200,026 with a total not-to-exceed amount of \$493,426.

Therefore, staff also recommends execution of Amendment No. 3 to increase the value of the PSA with Langan to include airborne asbestos dust monitoring and geotechnical services during construction of the slope stabilization keyway and park improvements of La Vista Park by \$486,600 for a total not-to-exceed contract amount of \$980,026.

HARD MOU

HARD and the City have worked in active partnership on the La Vista project since its inception. Between 2017 and 2024, HARD committed \$15.4 million in bond funding and the City committed \$13 million in Park-in-Lieu funds and \$7.925 million in other sources. Due

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=3897638&GUID=AD716AFF-467D-4E35-8C07-0F39495BAE26>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4539054&GUID=DE6EFDEE-53D2-4FB2-87D4-64E33A15986F>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5531461&GUID=2C8AAC9A-511A-4F70-8909-E0BB47D1F4CF>

to the low bid exceeding the Engineer's Estimate, staff concluded that an additional \$6.444 million is needed to fully fund the project including design, construction, administration, inspections, and testing costs. The City is in conversations with HARD and staff from both parties recommend that the City increase funding from Park-in-Lieu fees to cover this amount. Staff is requesting City Council approval to amend the MOU with HARD to include this additional funding (Attachment III).

ECONOMIC IMPACT

The addition of a destination park to the South Hayward community will create a much-needed amenity and attraction for this part of the City. This will likely result in increased visitors to the area as well as more dollars spent on local businesses. In addition, there have been numerous studies that indicate that the addition of open space or parkland has a positive impact on home values in the surrounding areas.

FISCAL IMPACT

The proposed FY26 Capital Improvement Program (CIP) budget includes a total project budget appropriation of \$36.325 million (Fund 405) for the design and construction of La Vista Park. The total project costs are \$42.769 million, shown below. Staff is requesting that City Council appropriate an additional \$6.444 million from Park-in-Lieu fees to cover the gap, on top of the previously committed \$13 million, for a total of 19.444 million (Attachment III). As mentioned above, HARD agrees with this use of Park-in-Lieu funds.

The breakdown for the project costs is as follows:

Construction Contract	\$32,850,547
<u>Contingency (12%)</u>	<u>\$3,942,066</u>
<i>Construction Subtotal</i>	<i>\$36,792,613</i>
Design	\$1,104,387
Administration	\$1,104,000
Geotechnical Inspection, Testing and Reporting	\$1,840,000
<u>Previously Incurred City Costs</u>	<u>\$1,928,000</u>
Total Project Cost	\$42,769,000

If Council passes the resolution in Attachment III, the funding sources for the project will be as follows:

Fees for La Vista Development	\$2,140,000
HARD Bond Funds	\$15,400,000
Offsite Tree Mitigation	\$585,000
Measure C Transfer	\$5,200,000
<u>Park-in-Lieu Funds</u>	<u>\$19,444,000</u>
Total Funding Sources	\$42,769,000

STRATEGIC ROADMAP

This agenda item supports the Strategic Roadmap of Invest in Infrastructure. Specifically, this item relates to the implementation of the following project:

Project N14, Part N14b: Construct La Vista Park

SUSTAINABILITY FEATURES

The La Vista Park has been designed to be the most environmentally sustainable park within the City. As part of the design, park areas will require less irrigation and native grass and plants will be used throughout the park. Park structures will be constructed from natural materials rather than traditional fabricated structures. Bio-retention filtration areas will collect and retain stormwater runoff prior to discharging into the storm drainage system.

PUBLIC CONTACT

After construction work for the La Vista Park Project has been scheduled, signs will be posted prior to commencement of work indicating the date and time of work.

NEXT STEPS

If the City Council approves the requests, the City Manager will execute the construction contract with DeSilva Gates Construction, LLC, execute Amendment No. 3 to the PSA with Langan and execute Amendment No. 1 to the MOU with HARD for the Funding, Operations, and Maintenance of La Vista Park.

The following is the tentative schedule for this project:

Begin Construction	Summer 2025
Complete Construction	Winter 2026

Prepared by: Sammy Lo, Senior Civil Engineer

Reviewed by: Dave Hung, Acting Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Michael Lawson, J.D.
Acting City Manager