



DATE: June 28, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Rejecting All Bids for the Keyways Grading Project, Project No. 06914 at La Vista Park

RECOMMENDATION

That Council adopts a resolution (Attachment II) rejecting all bids for the Keyways Grading Project, Project No. 06914 at La Vista Park.

SUMMARY

On May 24, 2022, the City received three (3) bids for the Keyways Grading Project at La Vista Park, ranging from \$8,392,544 to \$11,124,254 for base bid items. Miller Equipment Company, Inc., submitted the low bid in the amount of \$8,392,544, which is 52.6% above the engineer's estimate of \$5,500,003.

Staff recommends rejecting all bids and combining this project with the construction of the entire La Vista Park project to take advantage of economies of scale and bidding the project during the off-peak construction season between the winter and spring seasons in order to obtain more competitive bids.

Council Infrastructure Committee Review

Due to timing, this particular issue has not been presented to the Council Infrastructure Committee (CIC). An update was provided to the CIC on July 22, 2021¹ that included a proposal to construct the keyway for slope stabilization as a separate phase to the construction of the entire park. The proposal received positive feedback.

BACKGROUND

In 2005, the La Vista residential development that 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

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4595742&GUID=84C2D82C-BAD7-4910-A58B-EBA399EE2F72&Options=&Search=>

Road and Mission Boulevard was approved. The original project included construction of a new thirty-acre public park. The original thirty-acre park site on land donated from the developer was expanded to almost fifty acres in size by the addition twenty acres of the former Caltrans Route 238 property right-of-way acquired by the City.

Thirty percent of the design of La Vista Park was completed and used to define the project scope for preparation of the CEQA addendum analysis which included a 26.5-acre addition to the park project. The CEQA addendum analysis was presented to the Council on September 28, 2021², which authorized staff to continue with the design and construction documents.

The 65% design plans are complete, and the geotechnical consultant finalized the slope stability analysis, which proposed keyways to remove and replace weak existing landslide areas with stronger backfill and strengthen the soil.

The La Vista Park project is anticipated to begin construction in the Spring of 2023. The construction of the Keyway, which is necessary for geological seismic stabilization for the park would be the first component to be constructed. The construction of the Keyway was also required for the proposed development of the Parcel Group 3. Because the Parcel Group 3 development was anticipated to be constructed prior to the beginning of the park construction, staff was asked to explore the feasibility of phasing the construction of the park project and construct the Keyway as a separate project from the park and prior to the anticipated construction of the park. This would allow the construction of the Parcel Group 3 development to commence as planned and the geological seismic stabilization necessary for the Parcel Group 3 would be in place prior to the beginning of construction.

DISCUSSION

On April 26, 2022³, Council approved the plans and specifications for the project and called for bids to be received on May 24, 2022.

On May 24, 2022, the City received three (3) bids for the project, ranging from \$8,392,544 to \$11,124,254. Miller Equipment Company, Inc., submitted the low bid in the amount of \$8,392,544, which is 52.6% above the engineer's estimate of \$5,500,003. The total project budget for this phase of the project is approximately \$6.3 million to stabilize the slope for La Vista Park.

Initially, phasing the construction of the keyways grading for La Vista Park was critical to the Parcel Group 3 development and their proposed grading operations. Staff has confirmed that the Parcel Group 3 grading operations have been delayed and will not start this year. Furthermore, the lowest bid received was approximately 53% higher than the engineer's estimate. Staff believes that bidding out the project during the peak construction season and the challenging nature of work contributed to the higher-than-

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5149130&GUID=D8228E92-C3A1-4D7C-B138-B71367B5DEB1&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5565354&GUID=D51F15E4-C01E-41B5-B783-ACA919735816&Options=&Search=>

expected construction bids.

Staff recommends rejecting all bids and combining the two phases, the Keyway Grading and La Vista Park, into one to take advantage of economies of scale and bidding the project during the off-peak construction season between the winter and spring seasons when the contractors are not as busy and more likely to submit bids. As such, the project could receive more competitive bids.

The project CEQA addendum analysis including the 26.5-acre addition for La Vista Park was completed and presented to Council on September 28, 2021 with no further action required per adopted resolution 21-195.

On November 15, 2016⁴, Council adopted 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 the construction cost estimate for the La Vista Park – Keyways Grading project is more than \$1,000,000, the CWA agreement applies to this project.

ECONOMIC IMPACT

The development of a destination park will attract visitors that will contribute to the vitality of the City and South Hayward area. The park will provide an amenity to the area and have a positive impact on the community's economic development.

FISCAL IMPACT

The adopted FY 2022 CIP budget includes a total project budget appropriation of \$23.2 million in the General Capital Fund (Fund 405) to construct all the proposed La Vista Park improvements including the proposed keyway slope stabilization improvements proposed in this project.

The estimate project costs for the keyway grading are:

Design	\$78,000
Administration	\$70,000
Geotechnical Inspections, Testing & Report	\$128,000
Construction with 10% Contingency	\$6,050,000
<hr/> Total Project Cost	<hr/> \$6,326,000
Remaining budget for La Vista Park design and construction	\$16,874,000

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

STRATEGIC ROADMAP

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

Project N14, Part N14b: Construct La Vista Park

SUSTAINABILITY FEATURES

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

PUBLIC CONTACT

Construction notification to the public is not required since this project will not be awarded at this time.

NEXT STEPS

Staff will combine the proposed Keyways grading construction documents with the La Vista Park construction documents, complete the preparation the construction documents and request for construction bids during the off-peak construction season to obtain more competitive bids.

Prepared by: Alex Tat, Associate Civil Engineer
Kathy Garcia, Deputy Director of Public Works
Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager