



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Jon Cicirelli

SUBJECT: See Below

DATE: May 27, 2025

Approved

Date:

6/5/25

COUNCIL DISTRICT: 6

SUBJECT: Action Related to the 9755 - Guadalupe River Park Ranger Station Demolition Project

RECOMMENDATION

Approve an increase to the construction contingency from 10% to 20% for the 9755 - Building: Guadalupe River Park Ranger Station Demolition Project in the amount of \$66,000, for a total contingency of \$132,792.

SUMMARY AND OUTCOME

Approval of a contingency increase of \$66,000 will enable staff to authorize the contractor to proceed with the additional work encountered in the last five months of construction of the 9755 – Guadalupe River Park Ranger Station Demolition Project (Project), including the removal of an existing concrete masonry unit stem wall, installation of a new concrete stem wall along the walkway, and additional unforeseen building demolition and debris removal below the plaza area. The increase in contingency will also provide sufficient remaining contingency funds for any unanticipated work necessary for the proper completion of the Project.

BACKGROUND

The Project is for the demolition of the Guadalupe River Park Ranger Station, located at 375 W. Santa Clara St., San Jose, CA 95113 (Attachment – Location Map – 9755 – Guadalupe River Park Ranger Station Demolition Project).

The scope of the Project includes the removal of the damaged ranger station building, capping of existing utilities, and refinishing the remaining foundation and support wall

with colored concrete. The area will be transformed into an extension of the adjacent plaza, featuring new paving, perimeter railings facing the river, and a new Pacific Gas and Electric Company panel to provide power to existing site lighting. A commemorative plaque honoring the indigenous Ohlone tribe will also be installed.

On September 25, 2024, the Director of Public Works awarded a contract to the lowest responsive bidder, A CST Group Inc., dba Dynasel USA, in the amount of \$ 667,922 with a 10% contingency in the amount of \$66,792. On November 6, 2024, a notice to proceed with construction was issued to A CST Group Inc., dba Dynasel USA, with onsite operations beginning on the same day.

ANALYSIS

When the original contingency was approved by the Director of Public Works, the estimated cost for demolition and site work was \$667,922. However, due to unforeseen site conditions, additional costs have been identified, necessitating an increase in contingency funding.

To address these additional costs and ensure the successful completion of the Project, an increase in the contingency by \$66,000 is recommended. This additional funding will cover necessary modifications and additional work resulting from unforeseen conditions encountered during demolition and site work. This includes:

- 1) The infill of a corner of the plaza area with a cast-in-place concrete slab-on-grade, stem wall, and footing below, as well as an extension of the metal railing to allow for maintenance access to the irrigation controller. The extension of the plaza and the removal of this unpaved section of the plaza reduce loitering, trash collection, and other potential future maintenance issues.
- 2) The substitution of the metal grates with a triangular concrete infill slab to prevent any debris accumulation below and trespassing under the plaza area, eliminating the need for future maintenance.
- 3) The substitution of the specified utility pedestal to an alternate pedestal with a shorter lead time, reducing impact on the overall Project completion timeline.
- 4) The purchase and installation of a new irrigation pedestal; and
- 5) The repair and refinishing of severely damaged concrete in the plaza area beyond the base scope of work.

Thus far, one contract change order has been issued for the Project, totaling \$42,447. This included costs for the removal of an existing concrete stem wall, installation of a

new concrete stem wall along the walkway, and unforeseen building demolition and debris removal below the plaza area. The added contingency amount of \$66,000, in addition to the remaining \$24,345 contingency balance, will result in a balance of \$90,345, which will cover the anticipated contract change orders needed to complete the Project as summarized below:

1. Concrete Slab Infill and Railing Extension at Plaza	\$10,500
2. Triangular Concrete Slab and Metal Deck Infill	\$11,300
3. Pacific Gas and Electric Company Utility Pedestal Installation	\$8,000
4. Irrigation Controller Pedestal Installation	\$9,000
5. Plaza repair with cementitious finish	\$17,200
Total:	\$56,000

A remaining contingency of \$34,345 will cover any unforeseen issues with the areas with concrete infill and pedestal installation, should they arise prior to completion of the Project. Any excess funds not used in contingency will remain in the project funding source.

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on public works contracts except those involving the renovation of a building or buildings. However, to address the unforeseen conditions encountered during demolition and construction, under this memorandum request, staff recommends increasing the contingency from \$66,792 to \$132,792, which is 20% of the approved contract amount.

The Project is currently in construction and approximately 50% complete. Demolition and construction work started in November 2024 and is anticipated to be complete by the end of July 2025.

In addition to the necessary contingency funding, an additional \$71,000 has also been requested to be added to the Project for additional project delivery costs, which include consultant design fees for structural drawings, structural calculations, shop drawing review, construction inspection fees, and permitting.

EVALUATION AND FOLLOW-UP

No additional follow-up action with City Council is expected at this time.

COST SUMMARY/IMPLICATIONS

The recommendation is to increase the Project contingency from 10% to 20%, for a total contingency amount of \$132,792. The total additional funding needed to be added to the Project is \$137,000, which includes \$71,000 for project delivery and \$66,000 for the increased contingency to complete the unanticipated work. There will be no additional operation and maintenance costs associated with this recommendation.

The total remaining Project costs are approximately \$1,000,000. The remaining budget is \$889,000; therefore, an additional \$138,000 is needed to align the budget with the Project costs. An action to fund the Project from the Subdivision Park Trust Fund is included in the Approval of Various Budget Actions for Fiscal Year 2024-2025 memo presented in this City Council meeting.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$682,286
Construction	667,922
Contingency	66,792
Contingency Increase	66,000
TOTAL PROJECT COSTS	\$1,483,000
Prior Year Expenditure and Encumbrances	\$455,895
TOTAL REMAINING PROJECT COSTS	\$1,027,105

* The total project delivery of \$682,286 consists of the original amount of \$611,286 and an additional amount of \$71,000. The total project delivery includes \$372,139 for design services and \$310,147 for construction management and inspection services.

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the recommendation as part of this memorandum to increase contingency and project delivery costs necessary to complete the Project.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Recommendation	2024-2025 Capital Adopted Budget Page	Last Budget Action (Date, Ordinance No.)
375	423B	Guadalupe River Park Ranger Station Rehabilitation	\$453,000 *	\$137,000	547	10/22/2024, 31133
391	423B	Guadalupe River Park Ranger Station Rehabilitation	\$389,000		547	10/22/2024, 31133
001	423B	Guadalupe River Park Ranger Station Rehabilitation	\$47,000		547	10/22/2024, 31133

* The additional project funding of \$137,000 was recommended as part of the Fiscal Year 2024-2025 year-end clean-up requests, subject to the appropriation of funds.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 17, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Categorically Exempt, CEQA Guidelines Section 15301, Existing Facilities, File No. ER23-049.

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH

Director of Public Works

/s/

JON CICIRELLI

Director of Parks, Recreation and
Neighborhood Services

For questions, please contact Sal Kumar, Deputy Director of Public Works, at sal.kumar@sanjoseca.gov.

ATTACHMENT

Location Map – 9755 – Guadalupe River Park Ranger Station Demolition Project

ATTACHMENT – Location Map
9755 – Guadalupe River Park Ranger Station Demolition Project

