

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Jon Cicirelli

SUBJECT: See Below

DATE: February 10, 2025

Approved



Date:

2/18/25

COUNCIL DISTRICT: 3 and 4

SUBJECT: Actions Related to the 8087 – TRAIL: Coyote Creek (Mabury Road to Empire Street) Project - Rebid

RECOMMENDATION

Approve an increase to the construction contingency from 23% to 26% for the 8087 – TRAIL: Coyote Creek (Mabury Road to Empire Street) Project - Rebid in the amount of \$160,000 for a total contingency of \$1,908,363.

SUMMARY AND OUTCOME

Approval of a contingency increase of \$160,000 will enable staff to authorize the contractor to proceed with the additional work necessary to complete the 8087 - TRAIL: Coyote Creek (Mabury Road to Empire Street Project – Rebid) (Project) as well as provide sufficient remaining contingency funds for any unanticipated work necessary for the proper completion of the Project.

BACKGROUND

The Project is a 0.3-mile Class I trail that stretches from Mabury Road to Empire Street along the Coyote Creek channel (**Attachment:** Location Map - 8087 – TRAIL: Coyote Creek (Mabury Road to Empire Street) Project-Rebid). The scope of the Project includes a 12-foot-wide paved pedestrian/bicycle pathway with 2-foot-wide shoulders, a steel pedestrian bridge, trailheads, signage, striping, seating areas, undercrossing, and other related trail development work. Most of the trail is located within City property, with an under-crossing beneath Caltrans right-of-way under Highway 101, and a portion of one of the bridge footings located on Santa Clara Valley Water District (Valley Water) land.

On March 7, 2023, City Council adopted a resolution authorizing the Director of Public Works to award and execute a contract for the construction of the Project and to establish a contingency in the amount of 10% of the construction contract amount.

On April 19, 2023, the Director of Public Works awarded a contract to Andrew M. Jordan, Inc. dba A&B Construction in the amount of \$7,483,626 with a 10% contingency of \$748,363. On July 18, 2023, a notice to proceed with construction was issued to A&B Construction.

In July 2023, a temporary suspension of construction work was issued for a segment of trail alignment that conflicted with an existing mitigation planting site located within Watson Park. The encroachment into the existing mitigation site at Watson Park triggered the need for additional mitigation planting, as required by the environmental regulatory agencies (San Francisco Bay Area Regional Water Quality Control Board and California Department of Fish and Wildlife). Staff submitted a conceptual mitigation plan with a proposed 1.9-acre site on the west side of Coyote Creek, east of Oakland Road, near the San José Municipal Golf Course. The plan was approved by regulatory agencies in March 2024. The Project also received approval to resume work with a condition that the final mitigation plan would be submitted for approval, and mitigation plant installation would be completed as part of the Project.

On May 7, 2024, City Council approved an increase to the construction contingency from 10% to 23% in the amount of \$1,000,000 for a total contingency of \$1,748,363, and an increase to the project budget of \$1,100,000. This amount included costs for additional work associated with unforeseen hazardous soil removal, additional Tribal monitoring fees exceeding the contract allowance, and an estimate of \$400,000 for the additional required mitigation planting. At that time, a final mitigation plan had not yet been approved, and therefore, a contractor quote was not yet requested.

On December 9, 2024, following approval of the final mitigation plan and several negotiations to reduce cost, staff received a final quote for the additional mitigation planting from A&B Construction in the amount of \$562,000. Negotiations with the contractor revealed that the final mitigation plan could not be implemented within the initial \$400,000 estimate. This final negotiated amount can be absorbed by the Project without a project appropriation increase. However, the construction contingency must be increased by \$160,000 to accommodate the change order to provide authorization to the contractor to proceed with the work.

Federal Grant Funding

The Project is partially funded by a federal Active Transportation Program grant in the amount of \$5,256,000 and a federal Earmark Grant in the amount of \$1,323,901, for a total of \$6,579,901 in federal grant funding. Both grants are on a reimbursement basis, and funds are disbursed to the City incrementally as expenditures are invoiced. Thus far, under the federal Active Transportation Program grant, \$1,210,000 has been

reimbursed for the design phase, and \$3,914,402 has been reimbursed for the construction phase. Under the federal Earmark Grant, the full amount of \$1,323,901 has been received for the construction phase.

ANALYSIS

Additional Project Costs for Additional Mitigation

When the previous contingency increase was approved by City Council on May 7, 2024, the mitigation cost was estimated at \$400,000. The final quote received was \$562,000, which is \$162,000 more than expected.

Thus far, 10 contract change orders, totaling \$1,318,090, have been issued for the project, leaving a contingency balance of \$430,273. The added contingency amount of \$160,000 will result in a balance of \$590,273, which will cover the anticipated contract change orders needed to complete the Project, as summarized below.

1) Striping to narrow trail lanes, additional bollards	\$26,462
2) Estimated water service fees	\$6,000
3) Credit for pea gravel not installed	(\$29,123)
4) Additional mitigation planting	<u>\$562,000</u>
Total	\$565,339

A surplus contingency of \$24,934 will cover any unforeseen issues, should they arise prior to completion of the Project.

The Project is approximately 90% complete. The mitigation planting is provided off-site and does not affect the use of the trail. The work associated with the trail itself is expected to be complete by the end of February 2025. The mitigation planting work is anticipated to be completed by the end of April 2025.

The mitigation planting is required by the environmental permits secured for the Project and must be provided to complete the project and close out permit requirements. To make this possible, staff recommends increasing the contingency by \$160,000 to \$1,908,363, or 26% of the contract amount.

Climate Smart San José Analysis

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals. The Project is part of the interconnected Trail Network and is consistent with the [General Plan \(Envision 2040\)](#)¹ policies (PR 1.11 and PR 7.1). Parks, Open Space and Recreation goal PR 1.11 states “Develop an

¹ www.sanjoseca.gov/home/showpublisheddocument/22359/637928744399330000

integrated parks system that connects new and existing large parks together through a network of interconnected trails and/or bike lanes/routes” and goal PR-7.1 states “Encourage non-vehicular transportation to and from parks, trails, and open spaces by developing trail and other pleasant walking and bicycle connections to existing and planned urban and suburban parks facilities”. The Project is defined by the [Coyote Creek Trail Master Plan²](#) (Montague Expressway to Watson Park), which was approved by City Council on September 13, 2011.

EVALUATION AND FOLLOW-UP

No additional follow up action with City Council is expected at this time. Staff will report on progress of the Project in the Annual Trail Program Report (issued online each year on or around July 1) and at regularly scheduled City Council Office meetings with the Department of Parks, Recreation and Neighborhood Services staff. Project milestones will be posted via Twitter (@sanjosetrails) and site photos will be posted on Instagram (@sanjosetrails).

COST SUMMARY/IMPLICATIONS

This recommendation is to increase the Project’s contingency from 23% to 26%, which is a total contingency amount of \$1,908,363. The additional contingency amount of \$160,000 will be offset by savings from the soft costs in the project delivery. The trail opening is anticipated to take place in March 2025 and the operating and maintenance costs for the trail were included in the Parks, Recreation and Neighborhood Services Department 2024-2025 Adopted Operating Budget.

1. TOTAL COST OF PROJECT:

Project Delivery	\$4,328,011*
Construction	\$7,483,626
Contingency	\$1,748,363
Contingency Increase	\$160,000
TOTAL PROJECT COSTS	\$13,720,000
Prior Year Expenditure and Encumbrances	\$11,942,615
REMAINING PROJECT COSTS	\$1,777,385

*Initial Project Delivery was \$4,488,011. There is a saving of \$160,000 to be used for the contingency increase request.

² <https://www.sanjoseca.gov/home/showpublisheddocument/20455/636687587009930000>

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2024-2025 Capital Adopted Budget Page	Last Budget Action (Date, Ord. No.)
391	4110	TRAIL: Coyote Creek (Mabury Road to Empire Street)	\$1,100,000	N/A	553	06/18/2024, 31102
375	4110	TRAIL: Coyote Creek (Mabury Road to Empire Street)	\$898,000	N/A	553	10/22/2024, 31130

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 4, 2025 City Council meeting.

In addition, this Project was presented at Parks and Recreation Commission and City Council meetings in 2011. A series of public workshops were held to gather input through development of the master plan that defined this Project.

In June 2020, City staff joined Valley Water staff to review conceptual flood protection projects along Coyote Creek, with a focus on parks and trails improved by the planning work.

COMMISSION RECOMMENDATION AND INPUT

The master plan for this trail project, entitled *Coyote Creek Trail Master Plan (Montague Expressway to Watson Park)*, was accepted by the Parks and Recreation Commission on March 23, 2011, and approved by City Council on September 13, 2011.

HONORABLE MAYOR AND CITY COUNCIL

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Page 6

CEQA

Addendum to the Coyote Creek Trail Master Plan Mitigated Negative Declaration (Resolution No. 75982), File No. ER20-145.

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, Public Works

/s/

JON CICIRELLI

Director, Parks, Recreation and
Neighborhood Services

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

ATTACHMENT – Location Map – 8087 – TRAIL: Coyote Creek (Mabury Road to Empire Street) Project-Rebid

Attachment: Location Map
8087-TRAIL: Coyote Creek (Mabury Road to Empire Street)
Project-Rebid

