

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: August 1, 2022

Approved



Date

8/3/2022

COUNCIL DISTRICT: 6

**SUBJECT: ACTIONS RELATED TO THE 9112 – ALL-INCLUSIVE ROTARY
PLAYGARDEN PROJECT**

RECOMMENDATION

Approve a \$71,500 increase in the construction contingency for the 9112 - All-Inclusive Rotary PlayGarden Project from \$169,800 to \$241,300 for three additional Bid Alternate items.

OUTCOME

Approval of the recommendation allows the City of San José (City) to compensate the contractor to supply and install additional bid alternate items.

BACKGROUND

On January 25, 2022, City Council awarded a construction contract for the 9112 - All-Inclusive Rotary PlayGarden Project to Redwood Engineering Construction, Inc. in the amount of \$1,698,000. Approval of a 10 percent contingency in the amount of \$169,800 was also awarded at that time. However, due to budget limitations, the four bid alternates included in the plan set were not included in the contract award.

The four bid alternates are as follows:

- Bid Alternate No. 1: Third bay of Zipline and rubber surfacing
- Bid Alternate No. 2: Cascatta Bell Chime play structure repair
- Bid Alternate No. 3: Solar light and base
- Bid Alternate No. 4: Child Log Seat

The current project scope will expand the existing Rotary Park playground by two acres to support recreation and offer many new all-inclusive play features for children of all ages and abilities.

The City issued a Notice to Proceed to Redwood Engineering Construction, Inc. on May 2, 2022. Early in the construction phase, the Rotary Club, in coordination with Council District 6, requested inclusion of three of the original four bid alternatives into the project. Additional funding sources were identified, which will allow for inclusion of these bid alternates into the current construction project via a contract change order. The amount requested in this memorandum is for Bid Alternate No. 2 (Cascatta Bell Chime play structure repair), Bid Alternate No. 3 (Solar light and base), and Bid Alternate No. 4 (Child Log Seat). Bid Alternative No. 1 (Third bay of Zipline and rubber surfacing) was not identified to be include in the project due to lack of funding.

ANALYSIS

Section 27.04.050 of the San José Municipal Code sets a contingency of 10 percent for most public works projects. However, additional funding beyond that amount has been identified in order for three of the original four bid alternate items from the plan set to be included in this construction project. Staff requests approval to increase the construction contingency by \$71,500 for a total contingency of \$241,300, which is 14.2 percent of the project, to provide funding for the construction cost increases.

The project budget will increase by \$29,500 for additional staff costs associated with managing and executing these additional bid alternatives. Some of the specific staff costs are to review and approve the material submittals and associated structural footings, coordinating, and executing contract change orders, and additional construction management needed to oversee these bid alternatives are installed properly.

CONCLUSION

Approval of the recommendations will allow inclusion of three of the original four bid alternates in the construction project.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City’s website for the August 16, 2022 City Council meeting.

COORDINATION

This memorandum has been coordinated with the Departments of Planning, Building and Code Enforcement; Parks Recreations and Neighborhood Services; the City Attorney’s Office; and the City Manager’s Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Increased Project Delivery	\$992,672
Construction Base Bid	\$1,698,000
10% Contingency	\$169,800
Increased Contingency	\$71,500
TOTAL PROJECT COST	\$2,931,972
Prior Years’ Expenditures	(\$2,261,328)
REMAINING PROJECT COSTS	\$670,644

2. SOURCE OF FUNDING: 375 – Subdivision Park Trust Fund
391 – Construction and Conveyance Tax Fund – Citywide
384 – Construction Tax and Property Conveyance Tax Fund:
Parks Purposes Council District #6

3. **OPERATING COST:** This facility is anticipated to open in fall 2022. The annual operating and maintenance impact of approximately \$64,000 in the General Fund and was included as a Committed Addition in the 2021-2025 General Fund Forecast. The annualization of the operating and maintenance costs will be included in the development of the 2023-2024 Base Budget.

BUDGET REFERENCE

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

Fund #	Appn #	Appn Name	Total Appn	Amt. for Contract Construction Contingency Increase	2022-2023 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
391	221N	All Inclusive Rotary PlayGarden	\$222,000	\$0	N/A	30790 06/21/2022
384	412F	All Inclusive Rotary PlayGarden Phase II	\$101,000	\$71,500	N/A	30790 06/21/2022
375	412F	All Inclusive Rotary PlayGarden Phase II	\$1,498,000	\$0	N/A	30790 06/21/2022

*The 2022-2023 Adopted Capital Budget was approved on June 14, 2022 and adopted on June 21, 2022 by the City Council.

CEQA

Categorically Exempt, File No. PP19-002, CEQA Guidelines Section 15301 Existing Facilities.

/s/

MATT CANO

Director of Public Works

For questions, please contact Katherine Brown, Deputy Director of Public Works, at (408) 795-1679.