COUNCIL AGENDA: 8/21/18
FILE: 18-1084
ITEM: 4.1

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Matt Cano
Margaret McCahan

SUBJECT: **8794 – 31st & ALUM ROCK PARK - PHASE 2B**

DATE: August 10, 2018

Approved [signature] Date 8/10/18

COUNCIL DISTRICT: 5

RECOMMENDATION

(a) Adopt a resolution authorizing the Director of Public Works to:
   (1) Award a construction contract for the 8794 – 31st and Alum Rock Park Phase 2B Project to the lowest responsive and responsible bidder in an amount not to exceed $1,100,000, provided that the City has acquired ownership of the 0.2-acre parcel that is part of the Project;
   (2) Approve a contingency of up to, but not to exceed, 5 percent of the amount of the construction contract awarded by the Director; and
   (3) Decide any timely bid protest(s), make the City's final determination as to the lowest responsive and responsible bidder, or reject all bids and re-bid the Project;

(b) Adopt the following Fiscal Year 2018-2019 Funding Sources Resolution and Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5:
   (1) Increase the Beginning Fund Balance by $95,000; and
   (2) Increase the Alum Rock Avenue and 31st Street Park Phase 2 appropriation to the Parks, Recreation and Neighborhood Services in the amount of $95,000.

OUTCOME

Adoption of this resolution authorizing the Director of Public Works to award the construction contract for the 31st and Alum Rock Park – Phase 2B project will enable the contract to be implemented with sufficient time to meet the Housing-Related Parks Program (HRPP) grant deadline of April 2019. Approval of a five percent contingency will provide funding for any unanticipated work necessary for the proper completion of the project.

BACKGROUND

The 31st and Alum Rock Park site is located at South 31st Street between Alum Rock Avenue and East San Antonio Street, east of Highway 101 (map attached). The Master Plan for this park was approved by City Council on November 15, 2016. The Department of Parks, Recreation and Neighborhood Services (PRNS) has secured grant funding from the Housing-Related Parks Program (HRPP) of the Department of Housing and Community Development for the construction of this park. Park improvements have been phased to take advantage of grant funds over multiple years and to meet funding agency deadlines for reimbursement.

Phase 1
Construction of Phase 1 of the project was phased and scheduled to benefit from 2015 HRPP grant funding and was completed in August 2017. Improvements include a tot play area, youth play area, natural play area, group picnic area with shelter, and ornamental fencing. Phase 1 costs totaled $2,616,711 of which $2,168,634 was reimbursed by grant funding.

Phase 2A
Phase 2 of the project was split into Phase 2A and Phase 2B in order to expedite improvements to meet the reimbursement deadline for 2016 HRPP grant funds. Phase 2A construction began in April 2018 and is scheduled to be complete in August 2018. Phase 2A improvements include a fitness area with seating, upgrade of the playground safety surfacing to resilient rubber surfacing, and stone veneer wraps on the shade structure.

Phase 2B
Phase 2B will complete implementation of the Master Plan. Improvements include a community garden, dog park and lighting. Phase 2B is scheduled for completion in March 2019. The conditions of the 2018 HRPP grant require these improvements to be installed, invoiced and submitted for reimbursement by April 2019. Grant funds are estimated to reimburse approximately $1.0 million of the combined Phase 2 cost of $2.0 million.

In early 2018, the City was given the opportunity to purchase a 0.2-acre parcel adjacent to the existing park site. The acquisition of this parcel provides the opportunity to increase the size of the planned dog park and eliminates the undesirable condition of a vacant parcel adjacent to the park. Council previously approved the acquisition of the parcel in the amount of $2,500; the finalization of the purchase and sale agreement is expected in September 2018. The recent addition of the parcel to this project extended the design schedule by approximately six (6) weeks to allow the design consultant to integrate this additional piece to the overall park design.

ANALYSIS

The Director of Public Works is currently authorized to award construction contracts up to $1,000,000. The construction contract for this project is expected to be in an amount not to exceed $1,100,000. With the extension in design schedule resulting from the new parcel, a Director Award is needed in order to ensure that the required improvements can be constructed,

invoiced and submitted by the grant deadline of April 2019. In the interest of minimizing the risk of losing valuable grant funds, staff requests the Director of Public Works award authority, for this project only, up to $1,100,000.

The Director's authority to award the construction contract for the project is subject to the condition that the City first acquire ownership of the 0.2-acre parcel that is part of the Project. Council has approved the acquisition of the parcel, the finalization of the purchase and sale agreement is expected in September 2018 with a construction award to shortly follow.

Staff is requesting authority for the Director to establish a contingency of up to 5 percent of the construction contract amount. The City's contingency policy in Council Policy No. 1-18, entitled "Operating Budget and Capital Improvement Program Policy," sets forth a standard contingency of 5 percent of the contract amount for parks projects.

EVALUATION AND FOLLOW UP

No follow up action is anticipated at this time.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the August 21, 2018, City Council meeting.

Two community meetings (March 16, 2016 and April 13, 2016) were held during the Master Planning phase of this project. At the latter meeting, the community endorsed staff's recommended concept design for the park.

COORDINATION

This memorandum has been coordinated with the Department of Planning, Building and Code Enforcement, the Department of Parks, Recreation, and Neighborhood Services, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL POLICY ALIGNMENT

This project is consistent with the Council-approved Master Plan for 31st and Alum Rock Park, the Council-approved Budget and the Greenprint 2009 Update, which includes the use of state grants for project funding as a financing strategy.

COST SUMMARY/IMPLICATIONS

The 31st and Alum Rock Avenue Park Phase 2 project is anticipated to total $2.0 million, which is split into two phases, 2A ($600,000) and 2B ($1.4 million). The first portion of the project (2A) was completed in July 2018. Funding for Phase 2A totaled $600,000 and has been expended or encumbered in 2017-2018. A portion of the funding for Phase 2B was expended in 2017-2018 as footnoted below with $95,000 remaining in the 2017-2018 fiscal year that must be rebudgeted to the 2018-2019 fiscal year to pay for the Total Phase 2B Project Costs.

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT (PHASE 2B):

Project Delivery (Phase 2B)*	$249,000
Construction - Base Bid (Phase 2B)**	1,100,000
Contingency - 5% of Base Bid (Phase 2B)	55,000
Total Phase 2B Project Costs	$1,404,000
Prior Year Expenditures	(144,000)
TOTAL REMAINING PROJECT COSTS (PH 2B)	**$1,260,000**

*A total of $144,000 was expended/encumbered in 2017-2018 for Phase 2B. There is $105,000 remaining for 2018-2019 Project Delivery costs.
**This is this the highest anticipated amount for the bid.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Start-up, Stormwater Pollution Prevention, Erosion Control, Utility Conflicts	$140,000
Demolition	$80,000
Grading, Drainage, Utilities	$140,000
Site Construction	$310,000
Site Furnishings	$95,000
Lighting and Electrical	$100,000
Planting & Irrigation	$235,000
TOTAL CONSTRUCTION CONTRACT AMOUNT**	$1,100,000

3. SOURCE OF FUNDING: 382 - Construction and Conveyance Tax Fund: Park Purposes Council District 5. Recommended actions included in this memorandum will rebudget unexpended project funds in the amount of $95,000 from the 2017-2018 fiscal year into the 2018-2019 fiscal year.

4. OPERATING COSTS: The maintenance impact associated with 31st Street and Alum Rock Park project is approximately $97,000 annually (Phase 2A and Phase 2B). The operating and maintenance costs were included in the 2019-2023 General Fund Forecast, which was released on February 28, 2018, and partial year funding of $32,000 is included in the 2018-2019 Adopted Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation that will fund the contracted amounts.

Fund #	Appn #	Appn. Name	Total Appn	Rec. Budget Action	2018-2019 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
382	R999	Beginning Fund Balance	$3,897,843	$95,000	N/A	06/19/2018, Ord. No. 78671
382	401I	Alum Rock Avenue and 31st Street Park Phase 2	$1,166,000	$95,000	V-334	06/19/2018, Ord. No. 30124

*The 2018-2019 Proposed Capital Budget was adopted by the City Council on June 19, 2018.

CEQA

Addendum to the Mitigated Negative Declaration for the S. 31st Street & Alum Rock Avenue Park (Resolution No. 77979), File No. PP18-042.

/s/
MATT CANO
Director of Public Works

for
MARGARET McCAHAN
Budget Director

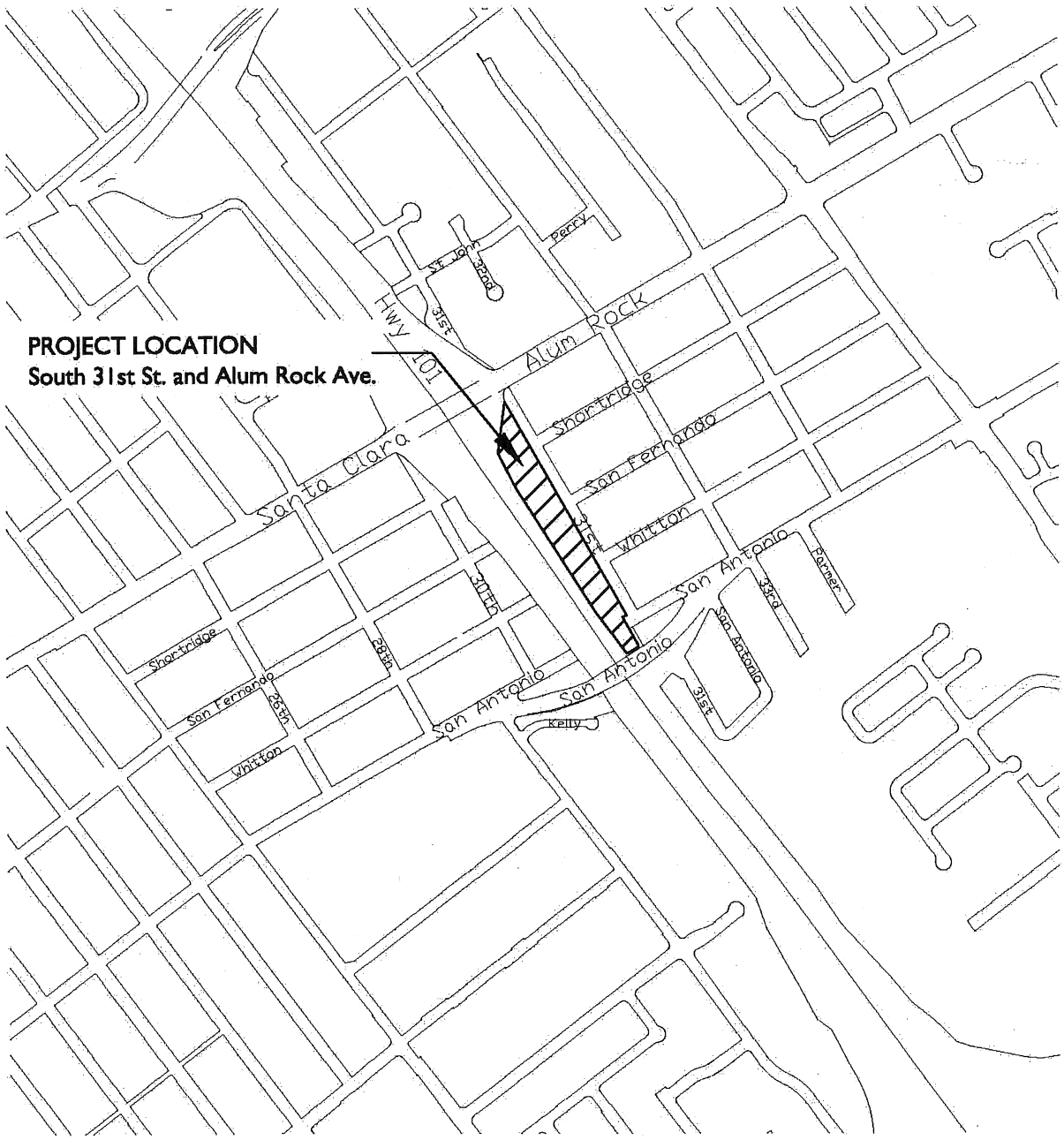
I hereby certify that there will available for appropriation in the Construction Tax and Property Conveyance Tax Fund: Parks Purpose Council District #5 in Fiscal Year 2018-2019 moneys in excess of those heretofore appropriated therefrom, said excess being at least $95,000.

for
MARGARET McCAHAN
Budget Director

Attachment: Alum Rock Avenue and 31st Street Park Location Map

For questions please contact Michael O'Connell, Deputy Director, at (408) 535-8300.

Alum Rock Avenue and 31st Street Park Location Map



31ST AND ALUM ROCK PARK

LOCATION MAP

NOT TO SCALE

N

NO SCALE