

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: 8794 – 31st & ALUM ROCK PARK -
PHASE 2B (RE-BID)

DATE: November 26, 2018

Approved

Date

12.6.18

COUNCIL DISTRICT: 5

RECOMMENDATION

Adopt a resolution authorizing the Director of Public Works to:

- (a) Award a construction contract for the 8794 – 31st and Alum Rock Park Phase 2B (Re-bid) Project to the lowest responsive and responsible bidder in an amount not to exceed \$1,100,000;
- (b) Approve a contingency of up to, but not to exceed, 5% of the amount of the construction contract awarded by the Director; and
- (c) 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.

OUTCOME

Adoption of this resolution authorizing the Director of Public Works to award the construction contract for the 8794 – 31st and Alum Rock Park – Phase 2B (Re-bid) Project will enable the contract to be implemented with sufficient time to meet the Housing-Related Parks Program of the California Department of Housing and Community Development grant deadline of April 2019. Approval of a 5% 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 has secured grant funding from the Housing-Related Parks Program (HRPP) of the California 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 included 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 was completed in July 2018. Phase 2A improvements included a fitness area with seating, upgrade of the playground safety surfacing to resilient rubber surfacing, and stone veneer wraps on the shade structure. Only construction costs are reimbursable by the HRPP grant. Including project delivery, total project costs for Phase 2A were \$600,000. Construction costs for this phase totaled \$421,677, all of which will be submitted for reimbursement by the grant.

Phase 2B

Phase 2B will complete implementation of the Master Plan. Improvements include a community garden, dog park and lighting. The conditions of the 2018 HRPP grant require these improvements to be installed, invoiced and submitted for reimbursement by April 2019. Total project costs for Phase 2B are \$1,404,000. Construction costs are expected to be approximately \$1,100,000. Approximately \$620,000 in HRPP grant funds remain available for reimbursement to offset construction costs.

In early 2018, the City was given the opportunity to purchase a 0.2-acre parcel adjacent to the existing park site. On June 26, 2018, Council approved the acquisition of the parcel in the amount of \$2,500.

Given that the City's acquisition of the 0.2-acre parcel seemed certain, staff redesigned the Phase 2B Project to integrate the parcel into the design. On August 21, 2018, Council adopted a resolution authorizing the Director of Public Works to award the construction contract for this project ***contingent on completion of the land purchase***. At the time of these actions, the acquisition of the 0.2-acre parcel still seemed certain.

Subsequently, it was discovered when attempting to close escrow on the property, that the parcel is included on a mortgage for another nearby property. This requires that the Title Company work with the lender to process a partial reconveyance of the loan, which will remove the encumbrance on the 0.2-acre parcel. The City's Real Estate Services has been working with the seller's broker and the Title Company in an effort expedite the partial reconveyance by the lender. However, these transactions typically require a significant amount of time for the lender to respond. At this point, it is uncertain when the reconveyance will be finalized so that escrow can be closed and the acquisition completed. Therefore, staff has determined the project should

be redesigned and rebid to exclude the 0.2-acre parcel. This action would achieve delivering the community a fully-programmed park within the HRPP grant deadline.

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 schedule resulting from the delay in purchasing the 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.

Staff is requesting to establish a contingency of up to 5% of the construction contract amount, in accordance with Council policy. 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% of the contract amount for parks projects.

Project Labor Agreement Applicability

A project labor agreement (PLA) is not applicable to this project as the engineer's estimate is under three million dollars.

Local and Small Business Outreach

This project was advertised to 129 local businesses through BidSync.

EVALUATION AND FOLLOW UP

No follow up action is anticipated at this time.

PUBLIC OUTREACH

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.

In addition, this memorandum will be posted on the City's website for the December 18, 2018, Council agenda.

COORDINATION

This memorandum has been coordinated with the Department of Parks, Recreation, 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.

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.

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	<u>\$1,404,000</u>

Prior Year Expenditures	(144,000)
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TOTAL REMAINING PROJECT COSTS (PH 2B)	\$1,260,000
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*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 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.

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	Contract Amount	2018-2019 Adopted Capital Budget Page*	Last Budget Action (Date, Ord. No.)
382	401I	Alum Rock Avenue and 31 st Street Park Phase 2	\$1,261,000	\$1,100,000	V-349	9/11/2018, Ord. 30152

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

HONORABLE MAYOR AND CITY COUNCIL

November 26, 2018

Subject: 8794 – 31st & Alum Rock Park – Phase 2B (Re-bid)

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CEQA

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

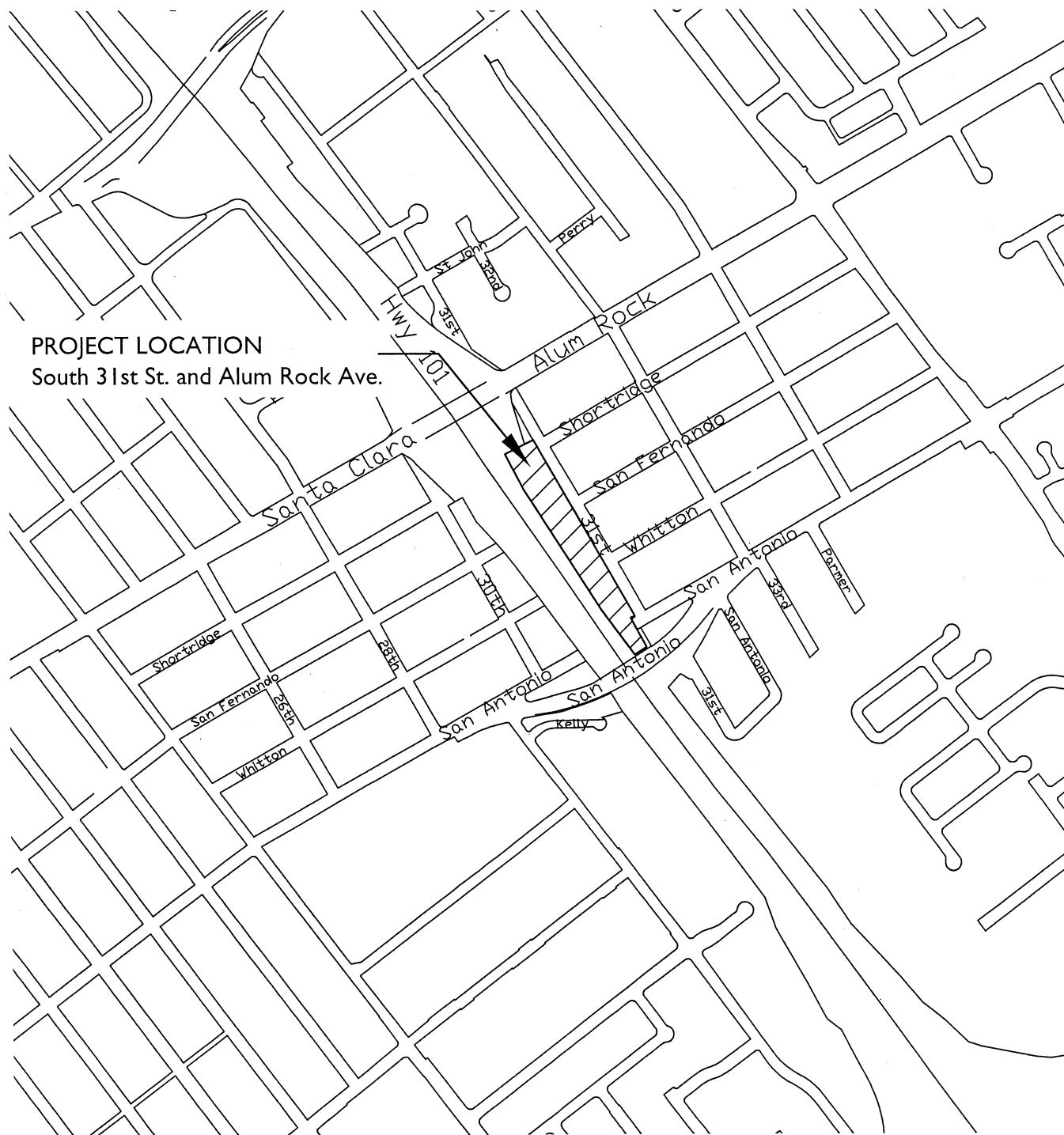
/s/

MATT CANO

Director of Public Works

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

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



PROJECT LOCATION

South 31st St. and Alum Rock Ave.

31ST AND ALUM ROCK PARK

LOCATION MAP

NOT TO SCALE

