



COUNCIL AGENDA: 08-08-06
ITEM: 2.16

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Albert Balagso

SUBJECT: SEE BELOW

DATE: 07-19-06

Approved

Date

7/25/06

COUNCIL DISTRICT: City-Wide

SUBJECT: SECOND AMENDMENT TO THE MASTER AGREEMENT WITH PORTICO, INC. FOR THE HAPPY HOLLOW PARK & ZOO PARKS BOND PROJECT

RECOMMENDATION

Approval of the second amendment to the master agreement for consultant services with Portico, Inc., for the Happy Hollow Park & Zoo Parks Bond Project increasing the compensation by \$250,000 from \$7,500,000 for a total agreement amount not to exceed \$7,750,000.
CEQA: Not a project.

OUTCOME

Approval of the second amendment to the master agreement with Portico, Inc. permits staff to execute service orders for the design development, construction documents, cost estimates, bid and award support, and construction administration support to complete the restored Happy Hollow Park & Zoo scope of work authorized by Council on June 27, 2006.

BACKGROUND

In November 2000, San José voters approved a \$228 million Parks Bond Measure for improvements of City's parks. \$52.3 million of that amount represented prioritized improvements identified in the approved 1994 Happy Hollow Park & Zoo (HHPZ) and 1991 Kelley Park master plans. Total construction value of the improvements was estimated at \$39 million in 2000.

In January 22, 2002, Council approved a master agreement with Portico, Inc. of Seattle, Washington, for consultant design services in the amount of \$1,500,000 to complete the Happy Hollow Park and Zoo Program Refinement and Phase Strategy Plan. This proposed plan

prioritized program elements from the approved master plans, created a project conceptual plan, and reduced the original six-phase plan to a two-phase plan consistent with future City operations and maintenance budgets. The project schedule was aligned with City budget projections.

On August 24, 2004, Council approved the first amendment to the master agreement with Portico, Inc. for consultant design services in the amount of \$6,000,000 for the design development, construction documents, bid/award, and construction support for Happy Hollow Park & Zoo Project. Phase 1 work consists of parking lot improvements east of Coyote Creek and Phase 2 is improvements west of Coyote Creek including the new entry bridge, entry plaza, zoo, administration/concessions area (Phase 2A), and attractions area with improvements to remaining lower zoo ADA improvements (Phase 2B).

The project is scheduled to allow operation of the existing zoo and attractions through FY 2007-08 while Phase 2A work is under construction. The facility closes entirely in July 2008 for completion of Phase 2B work with the entire HHPZ facility reopening in Spring of 2009. This schedule maximizes park revenue through the construction period and minimizes operational disruption.

ANALYSIS

Project schematic and design development phases ran from August 2004 through December 2005 and consultant project cost estimates revealed the effect of aligning the project improvements with City budget forecasts for park operations. Significant spikes in construction material and labor costs exceeded the project escalation built into the 2000 bond project budget for those years. The consultant and City staff aligned the project scope with the budget at a series of design development workshops in 2004 and 2005. It became apparent at the 65% Design Development milestone in October 2005 that the project budget was constrained to a point where serious compromises to planned park amenities would be experienced due to the construction industry increases, thereby jeopardizing HHPZ's revenue generation capability and ability to fulfill its mission statement.

From November 2005 to February 2006, City staff analyzed these shortfalls, developed a plan to recover the lost project scope on which continued HHPZ viability depended, and proposed a financing plan using City-wide Construction and Conveyance Tax and Park Trust funds. Council approved the plan in May 2006 and authorized it with final budget approval on June 27, 2006.

The second amendment to the master agreement increases the maximum consultant compensation by \$250,000 to fully fund the additional design services for the project program elements described in the May 9, 2006 Council memo. The specific, additional design services

funded by the additional \$250,000 will be implemented through the execution of future change orders.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the criteria above; however, Community outreach was accomplished as a part of the 1991 Kelley Park Master Plan and 1994 Happy Hollow Park & Zoo Master Plan. A number of meetings were conducted as a part of the design efforts to increase community awareness of the project. PRNS held a public project update meeting on May 19, 2005 to provide a comprehensive overview of the HHPZ project scope and schedule. Community members attending the meeting were interested in the comprehensive facility improvements and supported the project.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section that it will spur construction spending in our local economy with the additional project program elements.

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COST SUMMARY/IMPLICATIONS

No funding is necessary to approve this master agreement modification. Staff encumbers individual service orders from previous appropriations for Happy Hollow Park & Zoo.

BUDGET REFERENCE

| Fund # | Appn. # | Appn. Name | RC # | Total Appn. | Amt. For Contract | 2006-2007 Proposed Budget (Page) | Last Budget Action (Date, Ord. No.) |
|--------|---------|---|------|--------------|-------------------|----------------------------------|-------------------------------------|
| 471 | 4787 | Happy Hollow Park & Zoo Renovation and Improvements | | \$42,267,000 | \$7,750,000 | Page V - 703 | 6/27/06 |

CEQA

Not a project.

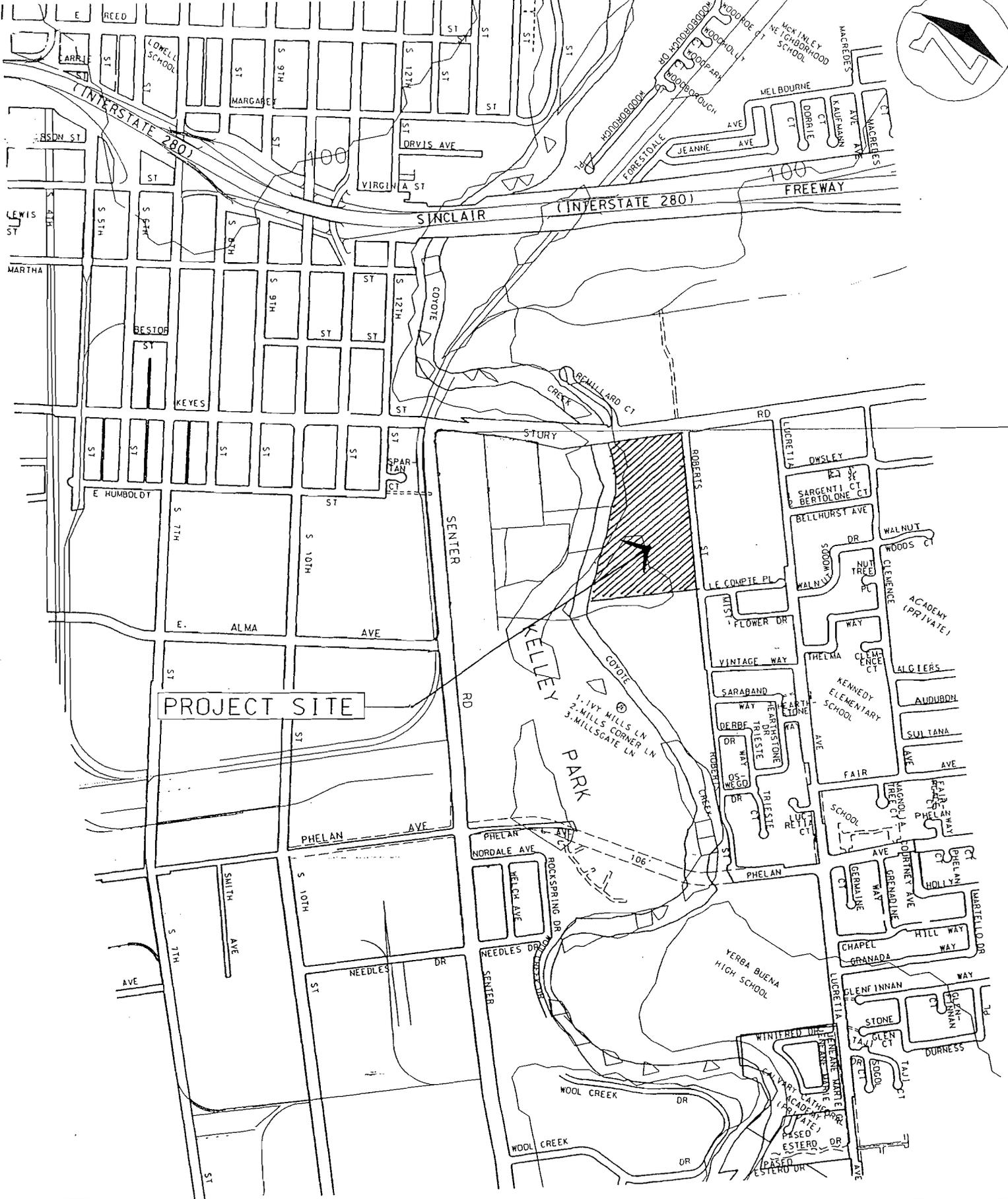


KATY ALLEN
Director, Public Works Department



ALBERT BALAGSO
Acting Director, Parks, Recreation and
Neighborhood Services Department

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, PUBLIC WORKS, at (408) 535-8300.



PROJECT SITE

- 1. IVY MILLS LN
- 2. MILLS CORNER LN
- 3. MILLSGATE LN

HAPPY HOLLOW PARK & ZOO
 LOCATION MAP
 N.T.S.