



COUNCIL AGENDA: 08-16-05

ITEM: 2.9

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: PENITENCIA CREEK REACH 2
PHASE 1 DEVELOPMENT PROJECT

DATE: 07-27-05

Approved

Date 8/8/05

Council District: 4

RECOMMENDATION

Approval of a contingency budget increase in the amount of \$23,500 for a total contingency budget of \$65,000 for the Penitencia Creek Reach 2 Phase 1 Development Project.
CEQA: Mitigated Negative Declaration PP01-03-062.

BACKGROUND

Penitencia Creek Park is a 26-acre site consisting of several parcels of land owned by Santa Clara County (SCC), Santa Clara Valley Water District (SCVWD), the City of San José, and the Berryessa Union School District. The park is surrounded on the east and west by single family residences, on the north by Noble Avenue, and on the south by Penitencia Creek Road (map attached). The site is generally flat and contains three percolation ponds, a small grove of walnut trees, and the tree-lined Penitencia Creek along the south side of the site adjacent to Penitencia Creek Road. The scope of work for this project includes a compacted base-rock trail, two bridges, a family picnic area, planting, irrigation and miscellaneous site amenities.

On February 28, 2005, Council awarded this project to O.C. Jones & Sons, Inc. in the amount of \$830,925. Pursuant to the conditions of the California Department of Fish and Game (CDFG) permit, construction could not begin until June 1, 2005. The project is approximately 20 percent complete. The estimated completion date of the project is November 15, 2005.

ANALYSIS

When the project contract was awarded, the original contingency budget was \$41,500. This contingency budget amount is insufficient to cover the costs of some unforeseen additional work.

The plans and specifications for this project went through an extensive review process prior to bidding and were reviewed and approved by external agencies including CDFG and SCVWD.

The bridge decking material specified was Southern Yellow Pine, to be treated with a wood preservative. The specifications called out the amount of wood preservative to be used, but not the treatment type. During the material submittal review process for the bridges, the contractor requested to use a copper-based wood preservative for the specified Southern Yellow Pine bridge decking. This request was forwarded to SCVWD for their review and approval. SCVWD did not approve of the use of this wood preservative within percolation pond facilities because it contains copper, which can be carried from the ponds into the adjacent Penitencia Creek, which is a steelhead habitat.

After several weeks of researching and submitting alternate wood preservatives to SCVWD for their approval, SCVWD informed the City that they do not allow the use of any wood products that have been treated with wood preservatives within their facilities, as per their permit with the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). The City was not made aware of this requirement until this time.

In the spirit of cooperation and partnering between SCVWD and the City, it was agreed to use a more environmentally sensitive material for the bridge decking. Therefore, an alternate bridge decking material would be needed. Untreated Southern Yellow Pine was considered but was not recommended because it would degrade too quickly. Fiberglass and plastic decking were also looked at as options, but were rejected because none are structurally sound for vehicular weights. The recommended alternative was to use "Ipe", which is a tropical hardwood that does not require a wood preservative. However, Ipe is considerably more expensive than Southern Yellow Pine.

To address the bridge decking material change, staff recommends increasing the authorized contingency amount by \$23,500, or three percent, for a total contingency budget of \$65,000, which is approximately eight percent of the original construction contract value. The cost for the additional work includes a proposed change order in the amount of \$50,000. Since the project is only about 20 percent complete, staff also recommends that the remaining \$15,000 in contingency be set aside to cover any additional change order work that may be required during the remainder of the construction period. There are sufficient funds available in the current project appropriations to cover the additional funds needed for the increased contingency authorization.

OUTCOME

Approval of this contingency increase will ensure adequate funds are available to cover unforeseen construction difficulties during execution of the project.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Departments of Planning, Building and Code Enforcement, Parks, Recreation and Neighborhood Services and General Services.

COST IMPLICATIONS

1.	AMOUNT OF RECOMMENDATION:	\$23,500
2.	COST OF PROJECT:	
	Project Delivery	\$511,911
	Construction	830,925
	Original Contingency	41,500
	Proposed Contingency Increase	<u>23,500</u>
	TOTAL PROJECT COSTS	\$1,407,836
	Prior Year Expenditures	(1,282,872)
	REMAINING PROJECT COSTS	\$124,964

*A total of \$1,282,872 is estimated to be expended/encumbered from 1999-2000 through 2004-2005 for project costs.

3. SOURCE OF FUNDING: 375 – Park Trust Fund
381 – Construction and Conveyance Fund, District 4
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

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BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	2005-2006 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$ 124,964		
Current Funding Available					
375	4116	Penitencia Creek Park Chain Reach 2 Development	\$125,000	V - 655	MBA #60 6/21/05*
		Total	\$125,000		

* The 2005-2006 Adopted Capital Budget for this project includes a \$125,000 rebudget that was approved by Council on June 21, 2005.

CEQA

Mitigated Negative Declaration PP01-03-062.



KATY ALLEN

Director, Public Works Department



PENITENCIA CREEK PARKCHAIN - REACH 2 DEVELOPMENT

(PIEDMONT ROAD TO NOBLE AVE.)

LOCATION MAP

NOT TO SCALE

3002 VTC - 8
 2011 10 26 10 11 AM
 RECEIVED