

COUNCIL AGENDA: 10-26-04

ITEM: 2.9

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
Larry D. Lisenbee

**SUBJECT:** THE ALAMEDA AT CLEVES  
IMPROVEMENTS

**DATE:** 10-19-04

Approved

Date

10/21/04

Council District: 6

## REASON FOR ADDENDUM

In order to begin construction on this project prior to the rainy season, staff requests Council approval at its October 26, 2004 meeting.

## RECOMMENDATION

- a) Approval of Contract Change Order No. 1 with Bellecitti & Pellicciotti Construction Company, Inc., for the Alameda at Cleaves Improvements, in the amount of \$26,300, for a total contract amount of \$277,900.
- b) Adoption of the following Appropriation Ordinance amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):
  1. Increase the appropriation to the Department of Public Works for The Alameda at Martin and Cleaves Improvements project in the amount of \$46,300.
  2. Decrease Ending Fund Balance by \$46,300.

CEQA: Exempt.

## BACKGROUND

In October 2001, Council awarded a construction contract for the subject project to Bellecitti & Pellicciotti Construction Company, Inc. in the amount of \$251,600, with a construction contingency of \$25,000. The project scope includes the demolition of a house and the construction of a new parking lot at The Alameda at Cleaves Avenue. The Notice to Proceed for the project was withheld for the past three years in order to accommodate the tenant, the Billy DeFrank Center, which was awaiting completion of their new building located adjacent to the original site. The Billy DeFrank Center moved to their new building in June 2004.

### **ANALYSIS**

A change order has been negotiated in the amount of \$26,300 to compensate the contractor for increased costs occurring during the past three years. These cost increases are due to new regulations governing hazardous waste abatement and cost increases for concrete, steel and electrical work. The City's administrative costs have also increased during this three-year period.

For Redevelopment Agency-funded projects that are being managed by the City, increases in construction costs are typically covered by the Redevelopment Agency. Because construction of the project was not commenced earlier in order to accommodate the tenant, the Department of Public Works, in concert with the Budget Office and the San José Redevelopment Agency, proposes to use prior years interest earnings to fund the Contract Change Order in the amount of, \$26,300. In addition, the Ending Fund Balance in the Services for Redevelopment Capital Projects Fund is proposed to support the estimated increase in administrative costs in the amount of \$20,000.

### **PUBLIC OUTREACH**

Not applicable.

### **COORDINATION**

This project has been coordinated with the San José Redevelopment Agency, City Attorney's Office and the Planning, Building and Code Enforcement Department.

### **COST IMPLICATIONS**

1. COST OF RECOMMENDATION: \$26,300

2. COST OF PROJECT

Project Delivery	\$ 29,018	*
Construction	251,600	*
CCO #1	26,300	
Contingency	<u>17,000</u>	
TOTAL	\$323,918	

\* \$260,618 was encumbered or expended in the prior fiscal year.

3. SOURCE OF FUNDING: 450 – Services for Redevelopment Capital Projects Fund

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 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. The non-profit organization that will utilize the parking lot will also maintain this lot.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract	2004-2005 Adopted Budget	Last Budget Action (Date, Ord. No.)
450	6803	The Alameda at Martin and Cleaves Improvements	\$17,000	\$26,300*	p. 1060	N/A
		<b>Total</b>	<b>\$17,000</b>	<b>\$26,300</b>		

\* A budget action is recommended in this memorandum to provide the funding necessary to process the contract change order.

HONORABLE MAYOR AND CITY COUNCIL

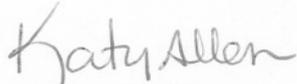
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**Subject: The Alameda at Cleaves Improvement Project CCO #1**

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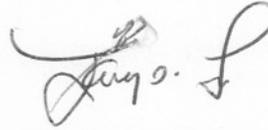
**CEQA**

Exempt.



KATY ALLEN

Director, Public Works Department



LARRY D. LISENBEE

Budget Director

KJ:TS:RV

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