

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: March 1, 2010

Approved

Date

3/9/10

COUNCIL DISTRICT: 3

**SUBJECT: INCREASE IN MAXIMUM COMPENSATION FOR THE REPAIR OF THE
PARKING GARAGE DECK AT THE SAN JOSE CONVENTION CENTER**

RECOMMENDATION

Increase the amount of maximum compensation to the Purchase Order between the City of San Jose and Watertight Restoration, Inc. by \$47,000 to \$541,500, to repair previously unidentified cracks in the concrete deck in the San Jose Convention Center Parking Garage.

OUTCOME

Complete the concrete parking deck crack sealing repair at the San Jose Convention Center.

BACKGROUND

On June 23, 2009, Council approved the purchase of repair services for the San Jose Convention Center parking garage deck in an amount not to exceed \$429,500, plus a contingency of \$65,000. This purchase covered the repair and sealing of the upper deck in the garage. The bid specification was based on a visual assessment that the City made on the condition of the deck.

Watertight Restoration, Inc. was selected through a competitive bid process consistent with the City's purchasing process. Watertight Restoration submitted the lowest of ten bids received by the City.



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ANALYSIS

During the initial phase of the work when the deck sections were opened and visually inspected, it was discovered by the Contractor's project engineer that there were far more cracks in the concrete deck than previously estimated by the City. Staff reviewed and concurred with these findings, and developed a modified scope of work to incorporate the additional work required in order to properly repair and seal the deck surfaces.

The original contingency amount of \$65,000 that was approved by Council in the original award will be used to cover a portion of the additional repairs. However, an additional \$47,000 is required due to the number and extent of the additional repairs that were uncovered. Staff does not anticipate further repairs will be required beyond the amount of this recommendation.

Manager's Budget Addendum #38 (Renegotiation of Contract Pricing): This agreement was recently bid with award to Watertight Restoration, Inc., the lowest of 10 bidders. Watertight Restoration has agreed to reduce their Linear Foot repair rate from \$8.00 to \$4.50 per linear foot for the additional work, thereby avoiding approximately \$90,000 in additional repair costs.

EVALUATION AND FOLLOW-UP

This memorandum will not require any further follow-up from staff.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST



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



Criterion 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)**



Criterion 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 item does not meet any of the criteria above, nor did the original recommendation for award. This Memo will be posted on the City's website for the March 23, 2010 Council Agenda.



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COORDINATION

This memorandum has been coordinated with Department of Transportation, the City Manager's Budget Office, the Office of Equality Assurance, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles "We must focus on protecting our vital core city services for both the short- and long-term".

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$47,000

2. COST OF PROJECT:
 - Amount of Original Purchase Order \$494,500
 - Additional Contingency \$ 47,000
 - TOTAL Project Cost \$541,500**
 - Prior Year Expenditures **\$494,500**
 - REMAINING PROJECT COSTS \$47,000**

3. SOURCE OF FUNDING: 533 – General Purpose Parking Fund

4. FISCAL IMPACT: Review of the project determined no significant adverse impact on the General Fund Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreement recommended as part of this memo.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Agreement	2009-2010 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
533	6516	Convention Center Deck Upgrade	\$155,000	\$47,000	V-873	10/20/09, Ord. No. 28653



HONORABLE MAYOR AND CITY COUNCIL

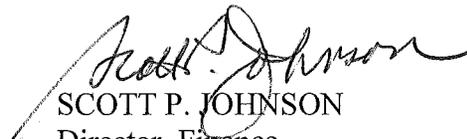
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SCOTT P. JOHNSON
Director, Finance

For questions please contact Mark Giovannetti, Purchasing Officer at (408) 535-7052.

