



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Hans F. Larsen

**SUBJECT: G85B CDBG GREEN VISION  
STREET TREE PLANTING PROJECT**

**DATE:** 08-02-10

Approved *[Signature]*

Date *8/10/10*

**COUNCIL DISTRICTS: 5, 7, 8**  
**SNI AREA: East Valley/680**

## RECOMMENDATION

- a.) Increase the contingency amount for the G85B CDBG Green Vision Street Tree Planting Project by \$60,000 from \$6,000 to \$66,000.
- b.) Approval of Contract Change Order No. 1 with Blossom Valley Construction, Inc., for the G85B Green Vision Street Tree Planting Project in the amount of \$66,000 increasing the total contract amount from \$118,568 to \$184,568.

## OUTCOME

Contract Change Order (CCO) No. 1 will compensate the contractor for all the remaining costs associated with the changed scope of the project to continue to water and otherwise support establishment of the 419 new trees planted by the project until December 31, 2011.

## BACKGROUND

The Department of Transportation was awarded a Community Development Block Grant (CDBG) to plant 500 new street trees in low to moderate income neighborhoods meeting the CDBG eligibility requirements. Originally, the Cassell Neighborhood in Council District 5 was selected to be the recipient neighborhood for the tree planting.

On June 23, 2009, the City Council awarded a construction contract to Blossom Valley Construction, Inc. in the amount of \$118,568 and authorized a construction contingency of \$6,000 to cover unforeseen conditions. The San José Redevelopment Agency (SJRA) committed to fund the continued establishment of the newly planted trees for two years beyond the completion of the contractor's initial establishment period, which was originally contemplated to end December 30, 2009 but has extended until July of this year.

Extensive bilingual outreach efforts were conducted with property owners in the Cassell Neighborhood and agreements were received to plant 145 trees within the neighborhood. In order to achieve a total planting to be closer to the goal of 500 trees, the targeted area was expanded to include other eligible low to moderate income neighborhoods surrounding the Cassell Neighborhood, some of which were located in Council Districts 7 and 8. Additional planting sites were found, many in parks and school property frontages in the neighborhoods and as a result a total of 419 trees were planted. Many of the planting sites were in areas where the soil was previously covered with concrete so the amount of concrete needed to be removed by the contractor in order to plant the trees significantly exceeded the original estimate.

The significant reallocation of SJRA's funding by the State of California required that the Agency withdraw their commitment to fund the remaining continued establishment of the young trees. The City had already committed to the residents who accepted a tree that the City would water the tree for two growing seasons to ensure that the tree is well established before the property owners are responsible for maintenance. Therefore, alternative funding for the remaining continued establishment was needed. It was decided to use the balance of the project budget for the remainder of the continued establishment program and to further extend the contractor's establishment obligations for an additional two growing seasons.

### ANALYSIS

The proposed increase of contingency in the amount of \$60,000 shall provide enough compensation to the contractor for Contract Change Order No. 1 to continue to support establishment of the trees on a flexible schedule determined by the demands of the weather until December 31, 2011. This is an essential element to insure proper survival of the trees to achieve the desired increase in canopy coverage in the neighborhoods.

### EVALUATION AND FOLLOW-UP

No additional follow-up actions with the City Council are expected at this time.

### 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 memorandum does not meet any of the above criteria; however, it will be posted on the City's website for the August 24, 2010 City Council agenda.

### COORDINATION

This project and memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Housing Department.

### FISCAL/POLICY ALIGNMENT

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 project also is in support of the Green Vision Goal #9, which goal is to plant 100,000 trees by 2022.

### COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: **\$ 60,000**

2. COST OF PROJECT:

Project Delivery	\$ 62,809
Construction	118,568
Original Contingency	6,000
Proposed Contingency Increase	<u>60,000</u>
TOTAL PROJECT COSTS	\$ 247,377
Prior Year Expenditures	<u>(187,377)</u>
<b>Remaining Project Costs</b>	<b>\$ 60,000</b>

3. SOURCE OF FUNDING: 441 – Community Development Block Grant Fund

4. OPERATING COSTS: 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**

The table below identifies the fund and appropriation proposed to fund the increase in contingency recommended as part of this memorandum.

Fund #	Appn #	RC #	Appn. Name	Total Appn.	Amount for Contingency Increase	2010-2011 Proposed Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
441	6312	153165	Green Streets Project	<b>\$66,199</b>	<b>\$60,000</b>	N/A	6/29/2010 Ord. No. 28765

**CEQA**

Exempt, PP08-168.

/s/

HANS F. LARSEN  
Acting Director of Transportation

For questions please contact RALPH MIZE, CITY ARBORIST at 408-277-5514.