



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Norberto Duenas  
John Stufflebean

**SUBJECT:** SAN JOSE CONSERVATION CORPS    **DATE:** 05-31-11

Approved

Date

6/7/11

**COUNCIL DISTRICT:** Citywide

## RECOMMENDATION

1. Adopt a resolution approving the following:
  - a) Extending the due dates for the San Jose Conservation Corps' performance under the Settlement Agreement and Mutual Release dated January 12, 2010 ("Settlement Agreement"), to allow the Conservation Corps to commence the approved Additional Services in Alum Rock Park in the fall 2011, and extending the due date for completion of the project and for compliance with all requirements under the Settlement Agreement, to occur by December 31, 2011.
  - b) Authorizing the City Manager to further extend the due dates for completion of the project or compliance with all other requirements of the Settlement Agreement for up to an additional 12 months.
2. Approve grant agreements with the San Jose Conservation Corps to provide:
  - a) Basic park support services for Parks, Recreation and Neighborhood Services from July 1, 2011 through June 30, 2012 with the option of the City to extend the agreement for up to four (4) additional one-year terms with the first year compensation in an amount not to exceed \$250,000 and with compensation for subsequent years subject to adjustment based upon the Consumer Price Index, and appropriation of funds for each extension year.
  - b) Events recycling and riparian clean-up services for Environmental Services Department from July 1, 2011 through June 30, 2012 with the option of the City to extend the agreement for up to four (4) additional one-year terms with the first year compensation in an amount not to exceed \$110,000 and with compensation for subsequent years subject to adjustment based upon the Consumer Price Index, and appropriation of funds for each extension year.
3. Adopt a resolution authorizing the City Manager to exercise up to four (4) one-year options to extend the grant agreements with the San Jose Conservation Corps, subject to appropriation of funds for each option year.

## **OUTCOME**

Approval to extend the due date of the settlement agreement will allow the San Jose Conservation Corps to complete its obligations under the Settlement Agreement and Mutual Release. Providing authorization to the City Manager to further extend the due dates will allow the City to more quickly respond to unforeseen circumstances.

Approval of the grant agreements will provide funding for the San Jose Conservation Corps to provide "at risk" disadvantaged young men and women with vocational education and job training through its Environmental and Recycling Programs, engage in service projects which preserve, maintain, and enhance San Jose's parks and riparian areas, and leverage other state and federal funding to provide value-added services for FY 2011-2012. Providing authorization to the City Manager to extend the grant agreements will allow for up to four (4) one-year options for possible extensions of the agreement, subject to City Council appropriation of funds.

## **BACKGROUND**

### **Settlement Agreement Extension**

On December 15, 2009, the City entered into a settlement agreement with the San Jose Conservation Corps (Corps). Pursuant to the settlement agreement, the Corps agreed to pay to the City the principal sum of one hundred sixty thousand dollars (\$160,000) by July 1, 2011. The settlement agreement allows the Corps to repay the City through in kind services worth at least \$160,000, referred to as "Additional Services." The Settlement Agreement also requires the Conservation Corps to maintain strengthened fiscal management practices including an annual certification that the fiscal management practices identified in the Settlement Agreement have been followed and continuously maintained throughout the year.

In November 2010, the City Manager notified the Corps that the City agreed to the projects summarized below as "Additional Services" provided that the work is completed in the time frame required under the settlement agreement and in a manner satisfactory to the City. The Corps was awarded Proposition 84 grant funds from the State to undertake these projects.

1. Alum Rock Park - additional services in the amount of \$152,000 to restore trails, remove invasive species, restore native plants, plant drought resistant vegetation, provide erosion control measures, and reduce fuel loads.
2. Thompson Creek - additional services in the amount of \$8,000 to remove an unsafe/unpermitted footbridge.

The Corps has completed a portion of its obligations under the Settlement Agreement by completing the Additional Services work on Thompson Creek in a manner satisfactory to the City. However, the Corps' work at Alum Rock Park was unable to be completed due to the timing of the grant funding and the careful scheduling of the work needed with the rainy season. City staff determined that the work should be delayed until fall 2011 due to the potential for inclement

weather, which if done during the spring and summer would threaten to erode the trail systems that the project is meant to improve.

Additionally, the work requires re-vegetation in areas with no irrigation systems. Careful timing in advance of the rainy season will help ensure successful plant establishment. Additionally, conflicts with work and park users will be limited by the extension of the work to the fall 2011 because park usage decreases during this time. Staff anticipates a mid to late September 2011 start date and final completion in December 2011.

### **Grant Agreements**

For over twenty years the City has entered into direct contracts with the Corps without any competitive process with the assumption the Corps provides a unique service to the community at or below market cost for services. In order to evaluate the market to ensure that the services are still unique and the Corps' costs remain competitive, the City issued a Request for Information (RFI) in February 2011. The RFI sought proposals from service providers that could demonstrate the ability to provide value-added benefits to the community in the delivery of services and leverage grants and other services to provide value-added services.

On March 11, 2011, the Mayor's Budget Message for Fiscal Year 2011-12 further directed that the City Manager create a base level of funding for the San Jose Conservation Corps. Approval of these grants would provide funding for the upcoming fiscal year and enable the City to continue to benefit from the Corps' services in transitioning unemployed or at-risk youth through positions in recycling and environmental community projects, such as creek clean-up and riparian work, and basic park support services to parks within Council Districts 1-10, including the Citywide Regional Parks.

## **ANALYSIS**

### **Settlement Agreement Extension**

Staff recommends extending the due dates under the Settlement Agreement because delaying the start of the project will ensure a higher success rate for plant survival, decrease erosion, and reduce impacts to park users. Staff further recommends authorizing the City Manager to extend the due dates by twelve months to allow greater flexibility to respond to unforeseen circumstances in Alum Rock Park. The Corps is in compliance with all other requirements under the settlement agreement.

### **Grant Agreements**

The RFI issued in February 2011 evaluated the level of interest and capability of other non-profit and for-profit organizations to provide a variety of community-related services comparable to the San Jose Conservation Corps model. Four submittals were received. Staff evaluated the submittals based on quality of service, cost, added benefit to the community, and ability to leverage resources. While proposers demonstrated some ability to provide value-added benefits to the community through the delivery of service or leverage other funding resources, staff found no basis to proceed with a competitive process. The results from the RFI indicate the Corps continues to be a unique service provider for job training and development opportunities targeted at at-risk youth in San Jose,

their labor costs are competitive, and they have a distinct ability to leverage other state and federal funding services to provide value-added benefits to the San Jose community.

Staff recommends that the City Council approve the grant agreements with the Corps to provide basic park support services, event recycling, and riparian corridor cleanup services. Listed below are some of the key terms of the grant agreements.

- Agreements require the completion of a project approval form that details the service needs and cost for specific service projects and a project completion form to track service performance and payment approvals.
- Agreements require the Corps to submit a final report each year that provides a summary of the projects completed under the agreements, value-added benefits to the community in the delivery of the service, additional funding sources leveraged, and review of service quality and accounting practices.
- Each agreement includes an option to extend the agreement for up to four times each for a one-year period at the City Manager's discretion. Approval of this agreement does not provide the Corps with any assurance that they will receive any specified level of City funding in future fiscal years; funding in any extension year is subject to appropriation of funds by City Council for that fiscal year.
- Every year an agreement is extended, a rate review may be requested to determine whether the rate should be adjusted to reflect any changes in the applicable Consumer Price Index.
- The funding for any year after the first year is contingent upon past and pending performance, funding availability, as well as future appropriation by Council.
- The Corps may not represent or obligate the City to any entity for funding or services that are not covered by our approved project amounts.

### **EVALUATION AND FOLLOW UP**

No additional follow-up action with Council is expected at this time.

### **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 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 will be posted on the City’s website for the June 21, 2011 Council agenda. The Request for Information was advertised on the City’s Internet BidLine.

**COORDINATION**

This memorandum was coordinated with the City Attorney’s Office and the City Manager’s Budget Office.

**COST SUMMARY/IMPLICATIONS**

1. TOTAL AMOUNT OF 2011-12 RECOMMENDATION: \$360,000

2. COST ELEMENTS OF AGREEMENT:

Parks Services	\$250,000
Special Event Recycling	\$ 80,000
Riparian Corridor Clean up	\$ <u>30,000</u>

**TOTAL AGREEMENT AMOUNT: \$360,000**

The labor rate assumed for the contracts above is \$22.00 per hour.

3. SOURCE OF FUNDING:

- Parks Services - Construction Tax and Property Conveyance Tax Funds (see Fund # below)
- Special Event Recycling - Fund 423 Integrated Waste Management Fund
- Riparian Corridor Clean up - Fund 446 Storm Sewer Operating Fund

4. FISCAL IMPACT: The project has been reviewed and staff has determined that it will have no adverse impact on the General Fund budget. Funding for these agreements have been included in the 2011-2012 Proposed Operating and Capital Budgets.

**BUDGET REFERENCE**

Fund #	Appn #	Appn Name	Total Appn	Amount for Contract	2011-12 Proposed Budget Page*
<b>Parks, Recreation and Neighborhood Services Grant</b>					
Parks Purposes – Council District #1-10 Fund 377 Fund 378 Fund 380	7190*	Construction Tax and Property Conveyance Tax Funds	\$250,000**	\$250,000	V-311, V-321, V-329, V-341, V-355, V-362, V-373, V-381, V-390, V-398,

Fund 381 Fund 382 Fund 384 Fund 385 Fund 386 Fund 388 Fund 389 Fund 390 – Parks Purposes Central Fund Fund 391 – City-Wide Parks Purposes Fund 462 – Lake Cunningham Fund					V-407, V-421, and V-462
<b>Environmental Services Grant</b>					
Fund 423	0762*	ESD Non-Pers/Equip	\$3,840,697	\$80,000	XI-48
Fund 446	0762*	ESD Non-Pers/Equip	\$3,451,421	\$30,000	XI-84

\* The 2011-2012 Operating Budget and the implementing appropriation ordinance are scheduled for approval by the City Council on June 21, 2011.

\*\* Funding in the 2011-2012 Proposed Capital Budget amounts to \$260,000. However, PRNS has identified an error in the amount allocated for this appropriation and staff will bring forward a 2011-2012 Cleanup Request to adjust the budget to the appropriate amount.

**CEQA**

Not a project. File No. PP10-066 (e). Services that involve no physical changes to the environment.

/s/

/s/

NORBERTO DUENAS  
Deputy City Manager/Acting Director of  
Parks, Recreation and Neighborhood Services

JOHN STUFFLEBEAN  
Director, Environmental Services

For questions regarding the Parks, Recreation and Neighborhood Services grant, please contact Mike Will, Parks Manager, at 535-3582. For questions regarding the Environmental Services grant, please contact Jo Zientek, Deputy Director, Integrated Waste Management, at 535-8557.