



**DATE:** January 31, 2017

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** **Amend Project Budget for Park Drive Trash Capture Device, Project 15-52, and Approve Increase in Cost-Share Agreement with Santa Clara Valley Water District for McKelvey Flood Detention Basin Project**

### **RECOMMENDATION**

1. Appropriate and transfer from the Storm Drain Construction Fund \$215,000 to the Park Drive Trash Capture Device, Project 15-52. (Five votes required)
2. Authorize the City Manager to execute the cost-sharing agreement with the Santa Clara Valley Water District for construction of utility and street improvements associated with the Permanente Creek Flood Protection Project, increasing compensation from the previous Council authorization from \$900,000 to \$1,025,000.

### **BACKGROUND**

The Santa Clara Valley Water District's (SCVWD's) McKelvey Park flood detention basin is part of the Permanente Creek Flood Protection improvements and includes a detention basin, new depressed ball fields, and a new mini-park. The SCVWD has awarded a construction contract and construction is scheduled to begin in February 2017. Because the SCVWD's project includes extensive work in Park Drive, the City requested that planned City utility and pavement improvements be included in the project, with reimbursement for the costs to the SCVWD by the City. The additional work includes a storm drain trash capture device, replacement of end-of-life water and sanitary sewer mains, and an overlay of a portion of Park Drive. The City is required to install trash capture devices to meet increasingly stringent State water pollution control regulations, and Park Drive is an ideal location because the storm drain system captures a relatively large drainage area.

On December 2, 2014, City Council approved a midyear capital improvement project, Park Drive Trash Capture Device, Project 15-52, and authorized the City Manager to execute a cost-sharing agreement to reimburse the SCVWD for the cost of these improvements. The estimated construction cost for this work at the time of the 2014

Council action was estimated to be \$900,000. If the actual costs based on the bid results exceeded this amount, staff was directed to return to Council for direction.

## **ANALYSIS**

On October 26, 2016, the SCVWD opened bids for the McKelvey Park flood detention basin project. The low bidder, Kiewit Infrastructure West of Fairfield, California, submitted a bid of \$28,105,969. Based on the low bid, the water, sanitary sewer, and pavement work is within budget, while a funding shortfall of \$215,000 exists for the trash capture device. The total cost of the trash capture device is \$540,000, including \$505,000 for construction and \$35,000 (6.5 percent) for administrative costs. The following factors likely contributed to the underestimation of the cost of the trash capture device:

- Unlike the water, sewer, and pavement work, the large trash capture device is a relatively new type of improvement, and the City and designer had little historical information on which to base an estimate;
- The original estimates are from 2014; and
- An upcoming regulatory deadline for installation of such devices may have increased demand, affecting costs.

The recommended actions would appropriate additional funds for the trash capture device and authorize the City Manager to execute the reimbursement agreement with the SCVWD to reflect an additional cost of \$125,000, increasing the amount of the agreement from \$900,000 to \$1,025,000. This is the net amount of change in the estimated versus actual construction costs for the various project items, some of which were lower than estimated (water, sewer, and pavement) and one of which was higher (trash capture device).

## **FISCAL IMPACT**

Park Avenue Trash Capture Device, Project 15-52, is funded with \$325,000 from the Storm Drain Construction Fund. The recommended actions would increase funding by \$215,000 from the Storm Drain Construction Fund, for total funding of \$540,000. There is a current balance of approximately \$425,000 in the Storm Drain Construction Fund, which is sufficient for the recommended appropriation.

At the time of the December 2014 Council action, staff indicated that the pavement work would be funded from the 2013-14 Street Resurfacing Program, Project 14-01. Because the project was delayed, the pavement work will be funded from the 2015-16 Street Resurfacing Program, Project 16-01. No Council action is required for this change as the project is fully funded.

### **ALTERNATIVES**

1. Eliminate installation of the trash capture device in Park Drive and find a new location for a trash capture device.
2. Provide other direction.

**PUBLIC NOTICING** – Agenda posting and a copy of report to SCVWD.

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