



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: September 4, 2024

To: Honorable Mayor and City Council Members

From: Rochelle Clayton, Acting City Manager;
Lynn Merrill, Director of Public Works, Operations and Maintenance

Department: Public Works

Subject: **Recommendation to Increase the Construction Contingency and Construction Management Budget for Nicholson Park Improvements Project. (Ward 6)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California adopt Resolution 2024-197:

1. Authorizing the Director of Finance and Management Services to amend the FY 2024/25 CIP Budget with an additional \$745,128 for the Nicholson Park Improvements Project using the Measure S fund balance; and
2. Authorizing the Director of Finance and Management Services to increase the construction contingency and construction management budget from \$1,290,000 to the total amount of \$2,139,564.87; and
3. Authorizing the City Manager or designee to expend the contingency fund, if necessary, to complete the project.

Executive Summary:

The City of San Bernardino has the opportunity to enhance Nicholson Park by adding picnic shelters, shade sails/covers, and steel trellis improvements, totaling \$745,127.48, through a change order to the existing construction agreement with Urban Habitat. Initially, only the base bid was awarded due to funding limitations; however, an additional \$1,746,044.73 has since been allocated to the project from CDBG funding sources. This increase in funding allows for the completion of the previously omitted items. Staff recommends allocating an additional \$745,128 from Measure S funds to replenish the contingency used for the change order additive alternate scope of work.

Background

Nicholson Neighborhood Park, located at 2737 West 2nd Street, is a City-owned 9.52-acre park facility that includes recreational amenities and a community center building. The recreational area of the park currently consists of two baseball diamonds with a concession/score keeper area (restroom included), a community garden, outdoor basketball court, picnic shelter, 10 picnic tables, two barbeque grills, a playground area, restrooms, and parking lot. While the park area continues to see some general community use, the community center building has been closed for programming for several years due to financial challenges.

Over the past several years, Nicholson Neighborhood Park has become a target for vandalism due to the lack of programmed activities at the site. Many of the supporting outbuildings, irrigation, and lighting systems have been damaged beyond repair. During preparation of the FY 2020/21 Capital Improvement Program (CIP), staff recommended rehabilitation of the park to return the property to a safe and attractive condition. Restoration of the park and its amenities will assist in drawing positive activities back to the area and restore recreational opportunities for the surrounding neighborhood.

On June 24, 2020, the Mayor and City Council approved Resolution No. 2020-128, which adopted the City's Annual Operating Budget for Fiscal Year 2020/21. This budget included funding for the Nicholson Neighborhood Park Improvements project (CIP Project PR21-006). The project initially received \$1,000,000 from the Community Development Block Grant (CDBG) and \$186,833.31 from Meadowbrook Insurance Claim funds, giving the project a total budget of \$1,336,833.31.

On February 2, 2022, Resolution 2022-26 was adopted, allocating an additional \$8,850,000 in American Rescue Plan Act (ARPA) funds to complete the project. On April 17, 2024, an additional \$1,746,044.73 was reallocated to Nicholson Park as part of amendments to the Community Development Block Grants 2023-2024 and 2020-21 Annual Action Plans.

For the design of the park, an agreement was made with RHA Landscape Architects – Planners, Inc. on March 3, 2021, for \$215,295. This agreement was amended on August 3, 2022 (Amendment No. 1) to expand the scope of services for an additional \$197,250. Another amendment was approved on August 2, 2023 (Amendment No. 2) to include more feedback in the design, costing an additional \$47,300. The total design budget for Nicholson Park is \$459,845.

On December 6, 2023, the City of San Bernardino awarded a construction contract to Urban Habitat for \$8,147,197.56 to complete the base bid items for the Nicholson Neighborhood Park Improvements project. On the same day, an additional \$1,290,000 was approved for construction contingencies and construction management costs. Subsequently, on February 21, 2024, a contract for construction management and inspection services was awarded to Z&K Consultants for \$471,876, with an extra \$47,187 allocated for professional services contingencies, reducing the original \$1,290,000 contingency fund to \$770,937.

As part of the December 6, 2023, approvals, the Mayor and City Council authorized the City Manager, or their designee, to execute all necessary documents with Urban Habitat and Z&K Consultants, including any required change orders. The City Manager was also authorized to expend the contingency fund as needed to ensure the completion of the project. Therefore, the City Manager has the authority to manage the project's approved budget and contractual adjustments without requirement of an amendment or additional approval authority.

The following table details the funding and budget balance:

Nicholson Park Funding Details	
ARPA	\$8,850,000.00
CDBG	\$1,000,000.00
Insurance Liability	\$186,833.31
ADDED CDBG	\$1,736,043.73
Total Budget	\$11,772,877.04
Vendors	Costs
RHA Architect	\$459,845.00
Urban Habitat	\$8,147,197.56
Contingency	\$770,937.00
Z&K CMCI (w/contingen	\$519,063.00
Avant Garde	\$2,000.00
Total Costs	\$9,899,042.56

Discussion

Construction is currently underway for the Nicholson Park Improvements Project. Due to funding limitations at the time of award, only the base bid was awarded to Urban Habitat for construction. Since then, additional funding has been allocated to the project in the amount of \$1,746,044.73 from CDBG funding sources. As a result, the City has the opportunity to construct the additive alternative items that were previously omitted from the construction agreement.

There are also pending change orders for the Nicholson Park project totaling \$104,436.87 and cover various essential adjustments. Key items include \$49,502.53 for a sewer tie-in, \$24,389.06 for orchard irrigation, and \$20,391.71 for orchard fencing. Additionally, smaller change orders address light pole removal, unforeseen CMU work, trimming bushes, and constructing CMU dugouts. These changes are necessary to ensure the project's successful completion and address unexpected needs that have arisen during construction. Staff will review the existing change orders and utilize the existing ARPA funding as needed.

Staff also recommends utilizing available contingency ARPA funding to construct picnic shelters, shade sails/covers, and steel trellis improvements as listed in the additive alternative bid schedule that was previously advertised on PlanetBids. The cost of these additional change order items is \$745,127.48. An additional \$745,128 is requested from the Measure S Fund to cover any additional future costs.

This would bring the updated total budget to \$12,518,005.04, which includes funding from ARPA (\$8,850,000.00), CDBG (\$1,000,000.00), insurance liability (\$186,833.31), additional CDBG funds (\$1,736,043.73), and added Measure S funds (\$745,128.00). *Please note that staff shall bring a request to Mayor and City Council for reallocation of ARPA funding to another Community Center project at Encanto Park.*

The project's updated costs include expenses for RHA Architect (\$459,845.00), Urban Habitat (\$8,147,197.56), and other associated vendors, with a contingency of \$770,937.00 and total change orders amounting to \$104,436.87. The addition of alternate change order scope items brings the total updated costs to \$10,748,606.91.

Please see funding table below:

Nicholson Park Updated Funding Details	
ARPA	\$8,850,000.00
CDBG	\$1,000,000.00
Insurance Liability	\$186,833.31
ADDED CDBG	\$1,736,043.73
Added Measure S	\$745,128.00
Total Updated Budget	\$12,518,005.04

Vendors	Updated Costs
RHA Architect	\$459,845.00
Urban Habitat	\$8,147,197.56
Contingency	\$770,937.00
Z&K CMCI (w/contingen	\$519,063.00
Avant Garde	\$2,000.00
Total Pending C/Os	\$104,436.87
Add Alternate C/O	\$745,127.48
Total Updated Costs	\$10,748,606.91

2021-2025 Strategic Targets and Goals

Authorizing the execution of this agreement aligns with Key Target No. 3: Improved Quality of Life. The completion of this project will improve the community's quality of life by providing safe and well-maintained park facilities.

Fiscal Impact

There is a \$745,128.00 impact to Measure S associated with this action.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California adopt Resolution 2024-197:

1. Authorizing the Director of Finance and Management Services to amend the FY 2024/25 CIP Budget with an additional \$745,128 for the Nicholson Park Improvements Project using the Measure S fund balance.; and
2. Authorizing the Director of Finance and Management Services to increase the construction contingency and construction management budget from \$1,290,000 to the total amount of \$2,139,564.87.; and
3. Authorizing the City Manager or designee to expend the contingency fund, if necessary, to complete the project.

Attachments

Attachment 1 Resolution No. 2024-197

Ward:

Sixth Ward

Synopsis of Previous Council Actions:

April 15, 2020	Approval of the City's FY 2020/21 CDBG Action Plan.
June 24, 2020	Adoption of Resolution No. 2020-128 approving Capital Improvement Program FY 2020/21.
March 3, 2021	Adoption of Resolution No. 2021-37 approving agreement with RHA Landscape Architects - Planners, Inc. to provide design services for the Nicholson Neighborhood Park.
February 2, 2022	Adoption of Resolution No. 2022-26 assigning American Rescue Plan (ARP) funds in the amount of \$8,850,000 to the Nicholson Park Project in lieu of future grant funding.
August 3, 2022	Approval of Amendment No. 1 to agreement with RHA Landscape Architects - Planners, Inc. to provide additional design services for the Nicholson Neighborhood Park.

August 2, 2023	Approval of Amendment No. 2 Agreement with RHA Landscape Architects – Planners, Inc. for Nicholson Park Design
December 6, 2023	Award of Agreement with Urban Habitat for Construction of Nicholson Neighborhood Park
February 21, 2024	Award of Agreement Construction Management and Inspection Services for the Nicholson Park Improvements.
April 17, 2024	Approval of the Substantial Amendments to Fiscal Year 2023-2024 and 2020-2021 Annual Action Plans for the Community Development Block Grant.