

**From:** David Grethen <dgrethen@hermosabeach.gov>

**Sent:** Monday, October 26, 2020 4:25 PM

**To:** City Council <citycouncil@hermosabeach.gov>; Douglas Krauss <dkrauss@hermosabeach.gov>

**Cc:** Marnell Gibson <mgibson@hermosabeach.gov>; Suja Lowenthal <suja@hermosabeach.gov>; City Clerk <cityclerk@hermosabeach.gov>; Ann Yang <anny@hermosabch.org>

**Subject:** Parking Lot D Improvements (CIP 682) - Council Mtg 10/27/20 (Item XI.k)

I appreciate the forthright disclosure in the subject Staff report that updated cost estimates have revealed appreciable project cost escalation. For your additional information, the project current budget is \$663,655, compared with the increased cost figures quoted in the second paragraph of Staff report "Background" excerpted below.

I suggest that Council consider pulling this item for discussion, to acknowledge the escalation, confirm whether the recommended action remains nonetheless prudent in light of the escalation, and consider at what point we would update the budget.

Thank You.

David Grethen  
Public Works Commission  
City of Hermosa

Excerpts from Staff Report (my underlines)

Background:

At the September 12, 2017 meeting, City Council awarded a professional services agreement to Adams Streeter Civil Engineers, Inc. for design services for Parking Lot D improvements. Parking Lot D is in disrepair and this project would transform it into a multi-benefit demonstration project that includes ADA improvements, enhanced lighting and electrical upgrades, a bicycle corral, electric vehicle charging stations, storm water infiltration, and drought tolerant landscaping.

On February 26, 2018, Adams Streeter Civil Engineers, Inc. provided a draft preliminary design report with three (3) design alternatives. The preferred alternative would be used as the basis for the final design. The preliminary construction cost estimate for the preferred design including contingency is \$745,000. That amount has since been revised to approximately \$1,000,000.

In 2019, the City was notified by the Coastal Conservancy that it would be recommended for \$499,650 in Proposition 1 funding. The City has been working with the Coastal Conservancy to coordinate submittal of the plans and concept to their Board for final approval.

Discussion:

The second amendment to the agreement with Adams Streeter would ensure sufficient time and funding are available to utilize the consultant's service to finalize the plans for submittal to the Coastal Conservancy board for final funding approval. This would also allow their availability for any final revisions necessary to the plans and development of specifications and bid documents

necessary to advertise for contractors and project implementation. Specifically, this would allow them to perform “value engineering” which would assess the project and determine if any modifications can be made to improve cost-effectiveness while maintaining the sustainability goals of the project. Due to the time passed since developing the original concepts and cost estimates, the actual cost of construction is expected to be significantly more than originally anticipated. Value engineering the plans would help identify any potential cost efficiencies that can be incorporated into the project. As part of the original agreement, Adams Streeter is also tasked with construction support.

Staff is also exploring applying for Safe Clean Water (Measure W) funding to help augment funding for this project. Staff anticipates final approval from the Coastal Conservancy in Spring 2021 with project construction to be completed in 2022.