OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 7/5/2012

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution Amending the FY 2012-2013 Marina Budget to Provide Financing for the 2012 Marina Maintenance Dredging Project and Authorizing the City Manager to Award the Dredging Contract

MEETING DATE: 7/16/2012

EXECUTIVE SUMMARY

This is a request to amend the Fiscal Year 2012-2013 Marina budget to allocate $326,420 to the 2012 Marina Maintenance Dredging project to accommodate necessary maintenance dredging in a portion of the George Lowy Basin at the Pittsburg Marina. In order to expedite the award and completion of the 2012 Marina Maintenance Dredging contract, City Council is requested to authorize the City Manager to award the dredging contract if bids are received at or under $250,000.

FISCAL IMPACT

This project will allocate $326,420 of Marina reserves to the Maintenance Dredging of the Lowy Basin. This amount will cover an estimated $178,000 in dredging costs, $23,793 in environmental testing costs, $7,224 for survey documents, $3,000 in permitting costs, and a 35% contingency. This allocation will reduce Marina reserves from $354,455, or 18% of the Marina’s FY 2012-2013 Budget, to $28,031 or 1% of the Marina’s FY 2012-2013 Budget.

In the event that additional funds are needed by the Marina during FY 2012-2013, the necessary funding would be drawn down from Waterfront Development and Operations reserves (540). The Waterfront Development and Operations account for FY 2012-2013 has a projected budget of $576,624 and projected reserves of $224,089, or 39% of the total budget.

Historically, the Marina has not had to rely on reserve funds for projects or emergency maintenance. The existing FY 2012-2013 Marina budget includes an allocation of $30,500 for Maintenance Agreements and an allocation of $75,500 for Maintenance and Repairs. In the event of a maintenance emergency, these allocations would be used first, before
funding from the remaining Marina Reserves or Waterfront Reserves would be necessary. Staff does not anticipate any other items for which reserve funds would be needed over the course of the next three fiscal years. Staff anticipates that Marina reserves will be built back up from 1% of the total budget to 15% of the total Marina Budget by FY 2016-2016.

The City Council previously authorized the City Manager to award contracts valued under $150,000. The contract amount for the 2012 Marina Maintenance Dredging project dredging operations is anticipated to exceed $150,000.

**RECOMMENDATION**

Adopt the attached resolution amending to FY 2012-2013 Marina budget, and authorizing the City Manager to award the Contract for "2012-06 Marina Maintenance Dredging" in an amount of up to $250,000.

**BACKGROUND**

On June 18, 2012, the City Council adopted the budget for FY 2012-2013 for the Pittsburg Marina. The adopted budget did not anticipate any expenditures in the Marina Capital Improvements account (550-41154-2219) for maintenance and repairs.

On August 8, 2002, the Department of the Army issued Permit Number 26215S approving the removal of a maximum of 275,000 cubic yards from a 38 acre area at and near the City of Pittsburg Marina. The permit allows multiple dredging episodes, and expires on October 31, 2012. Dredging Episode 1 and Episode 2 under this permit removed approximately 110,000 cubic yards of material in 2002 and 2006. Dredging has not taken place in six years. To protect delta wildlife, dredging work may only take place between August 1 and October 31 each year.

On June 25, 2012, the City of Pittsburg published an invitation to bid on the 2012 Marina Maintenance Dredging project, and notified construction trade journals as prescribed by the California State Controller’s office. The scope and work included dredging of the entrance area in the George Lowy Basin, transporting and disposal of dredged sediments to Winter Island, mobilization and demobilization of equipment, and all other work necessary for a complete project in accordance with the plans and specifications.

On Monday, June 25, 2012 and Monday, July 2, 2012, a Notice to Contractors / Invitation to Bid was published in the Contra Costa Times. On July 13, 2012, the City of Pittsburg opened bids for this project.

**SUBCOMMITTEE FINDINGS**

On April 16, 2012, staff informed the Economic Development/Waterfront Subcommittee of the need for Maintenance Dredging in the George Lowy Basin.

On Monday, July 2, 2012, the Finance Subcommittee met to discuss the sources of funding for this Project. At that meeting, staff summarized the fiscal impact of this project and the urgent need for dredging operations to take place before the Department of the Army permit expires. The Finance Subcommittee understood the urgency of this project advised Staff to bring this item before the City Council for consideration.

**STAFF ANALYSIS**
Silt build up has accumulated in the entrance area to the George Lowy Basin of the Marina resulting in depths as shallow as three feet in some places. The current depth of the entrance area at the George Lowy Basin does not adequately facilitate marine traffic to slips and to the fuel dock. As a result, the Marina is not currently functioning as it should, and marine services to marine tenants and visitors have been hindered.

The Marina relies on revenue from gasoline sales and slip rental. The Marina will likely begin losing revenue if it cannot maintain navigable depths. Time is of the essence due to the current depth of the Marina, the impending expiration of the City’s ten year dredging permit, and the limited three month work window in which dredging operations are permitted. If this maintenance dredging is not completed during the work window this Summer/Fall, two more years could pass before dredging operations are permitted and marine access in the George Lowy Basin could be significantly impeded.

If this episode of maintenance dredging is completed, then additional dredging in and around the Marina will not be needed for several years. This will allow the Marina budget reserves to be restored, and will allow staff the time needed to apply for another ten year dredging permit before additional dredging is needed.

The Bid Opening is scheduled to take place at 10:00 A.M. on July 13, 2012. The bid amount is anticipated to exceed the City Manager’s signing authority of $150,000. Authorizing the City Manager to award a dredging contract of up to $250,000 will keep the project on target for completion within the 2012 work window. The Bid Proposals received at the Bid Opening will be made available to the City Council upon request at the July 16, 2012 Council Meeting.

ATTACHMENTS: Resolution

Report Prepared By: Ali Endress