



Consideration of Amendment to Budget of Community Enhancement Grant Program Agreement for Asian American Heritage Park Staff Report

Grantee	Delta Educational Cultural Society
Project ID	P6811
Award Year	2022
County	Sacramento
Category	Implementation
Original Award Amount	\$554,772
Amended Request Amount	\$820,571 (48 percent)
Request	Budget Increase

RECOMMENDATION

Staff recommends that the Board considers a budget increase of \$256,590 to accommodate inflationary costs, prevailing wage, unforeseen project elements and permits, and changes in subcontractors.

DESCRIPTION

The Grantee is requesting an additional \$265,799 (48 percent increase) to accommodate inflationary costs, prevailing wage requirements, unforeseen project elements and permits, and changes in subcontractors. The Grantee initially prepared the project budget in 2021; costs have rapidly increased during the intervening years. Labor costs have also increased due to prevailing wage provisions outlined in the grant agreement. The Grantee encountered additional unforeseen project elements and permit costs during the final planning stages of the project. Finally, the subcontractor initially proposed to provide construction management and oversight is no longer able to provide those services; therefore the Grantee sought other subcontractors to provide these services.

If approved, the additional funds will allow the Grantee to complete the project as originally designed. If the budget increase is not approved, the Grantee proposed only one change – to remove landscaping from their project. Changes to other components of the project that may reduce project costs were not considered by the Grantee or adequately described in the Grantee’s amendment request.

Staff have concerns about the Grantee’s reluctance to adopt cost-saving measures or pursue other significant sources of funding; the budget increase of 48 percent is one of the highest requested from the Conservancy; and the overall cost of the project given the project size (0.07 acres). While the proposed cost is high, staff contacted other departments and determined the cost is not out of line with current industry standards. Additionally, staff need to determine if \$42,000 of performance and payment bonds are allowable expenses.

Staff recommends that if the Board approves a budget increase that it approves an increase of up to \$256,590 (46 percent increase); however, the actual amount may be lower dependent on staff's determination of allowable performance and payment bonds (-\$42,000). The decreased amount (-\$9,209) is due to Conservancy's assessment that the Grantee has not provided an explanation for project displays, signage, and plaque costs beyond inflation (-\$2,709) and documentation that construction management and oversight costs are fair and reasonable (-\$6,500).

BACKGROUND

Asian American Heritage Park (Project ID P6811) is an implementation project designed to construct a .07-acre park showcasing the Asian American heritage of the town of Isleton. The park features include landscaping, walkways, an artistic ceramic water feature, seat walls, walkway tiles, benches, engraved bricks and plaques recognizing contributors to the park, and a Japanese bell temple (Kansho-do). This project was awarded \$554,772 of Proposition 68 funds to the Grantee in 2022. This is the Grantee's first amendment request requiring Board consideration.

SUGGESTED MOTION LANGUAGE

Move that the Board approve and award additional funding up to \$256,590 to the Delta Educational Cultural Society from the Proposition 68 grant funds for the Asian American Heritage Park.

OR

Move that Grantee pursue alternative funding sources or cost-saving measures for the Asian American Heritage Park.

CONTACT

Martha Ozonoff, Community Projects Supervisor
Sacramento-San Joaquin Delta Conservancy
martha.ozonoff@deltaconservancy.ca.gov
(916) 612-6469

Table 1. Overview of Budget Change Request

Project Component	Original	Requested	Difference (percentage)	Reason Provided
Non-office Supplies	\$25,129	\$25,129	\$0 (0%)	Not applicable
Office Supplies	\$360	\$180	-\$180 (-50%)	Not applicable
Park Displays, Signage, and Plaques	\$20,759	\$26,900	+6,141 (+30%)	Inflation
Student Stipends	\$8,000	\$8,000	\$0 (0%)	Not applicable
Park Construction Permit	\$500	\$4,000	+3,500 (+700%)	Unforeseen expense
Grant Management	\$4,560	\$0	-\$4,560 (-100%)	Services provided in-kind
Graphic Design	\$12,320	\$21,230	+\$8,910 (+72%)	Inflation and additional elements
Project Design	\$53,908	\$83,881	+\$29,973 (+56%)	Inflation and additional elements
Construction Management and Oversight	\$15,000	\$17,500	+\$2,500 (+17%)	Change in subcontractors
Park Construction	\$329,436	\$533,918	+\$204,482 (+62%)	Inflation, prevailing wage, and additional project elements
Artist	\$84,800	\$94,600	+\$9,800 (+12%)	Inflation
Pacific Gas and Electric Drawings and Connection	\$0	\$5,233	+5,233 (not applicable)	Unforeseen expense
Total	\$554,772	\$820,571	\$265,799	