



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** JUNE 2, 2026

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT

**FROM:** DAVID JACOBS, L.S., P.E.

**BY:** JONATHAN ESTEBAN, ASSISTANT ENGINEER  
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**TITLE:** SHERWOOD RECREATION CENTER BUILDING  
IMPROVEMENT, CIP NO. 9535  
ADDITIONAL CONSTRUCTION CONTINGENCIES

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. Approving an increase in the construction contingency amount by \$200,000 for a revised contingency amount not to exceed \$650,000 for the Sherwood Recreation Center Building Improvement (CIP 9535); and
2. Appropriating \$240,000 from Community Development Block Grants (CDBG) funds to CIP 9535.

EXECUTIVE SUMMARY:

On December 9, 2025, City Council, pursuant to Resolution No. 23382, awarded a contract to Precision Construction Services for the Sherwood Recreation Center Building Improvement, CIP 9535, in the amount of \$2,230,401 and approved a construction contingency amount of \$450,000.

Approximately \$114,000 of the \$450,000 approved contingencies remain. In anticipation of major forthcoming change orders including solar light poles to replace the non-functioning parking lot lights, vertical safety netting around the open offices and basketball court, structural bracing for an existing roof parapet wall, replacement of lobby windows, and future unforeseen change orders, City staff is requesting City Council approval of and increase to the construction contingency by \$200,000 for a revised contingency amount not to exceed \$650,000.

BACKGROUND:

On December 9, 2025, City Council, pursuant to Resolution No. 23382, awarded a contract to Precision Construction Services for the Sherwood Recreation Center Building Improvement, CIP 9535, in the amount of \$2,230,401 and approved a construction contingency amount of \$450,000.

Approximately \$114,000 of the \$450,000 approved contingencies remain. Nineteen change orders have been approved to date for a total change order amount of \$336,128.16. Major change orders were identified during the demolition phase of construction. These included unsuitable soils within the sidewalk and storage room, damaged CMU walls, water damage within the kitchen flooring, wood rot, etc.

In anticipation of major forthcoming change orders including solar light poles to replace the non-functioning parking lot lights, vertical safety netting around the open offices and basketball court, structural bracing for an existing unstable roof parapet wall, replacement of lobby windows, and future unforeseen change orders, City staff requests City Council approval of an increase to construction contingencies by \$200,000 for a revised contingency amount not to exceed \$650,000. Table 1 provides a summary of the pending change orders.

An additional appropriation of \$40,000 is needed for labor compliance services.

Table 1: Pending Change Orders

<b>KNOWN PENDING CHANGE ORDERS</b>	<b>Cost Estimates</b>
Solar lights at parking lot	\$92,426.35
Roofing unforeseen items, including dry rot	\$12,665.83
Fiber replacement	\$3,964.26
Planter schedule extension	\$14,255.92
Netting installed at open office and basketball court	\$70,918.24
Structural bracing at roof parapet wall (estimate)	\$34,000
Replacement of lobby windows	PENDING

CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This project addresses the City Council’s Goals of *Youth and Seniors, Infrastructure and Public Safety*.

**DEPARTMENTAL COORDINATION:**

The process of administering this project involves Public Works, Library and Community Services, Community Development, Finance, and Legal Departments.

Public Works Department is managing the project with activities that include construction management, labor compliance, and inspection services during construction. The project is a CIP for the Library and Community Services Department and is entirely funded with CDBG funds which is being administered by the Community Development Department. Finance Department manages the proper disbursement of funds and is involved with the reporting requirements of the CDBG funds, and Legal Department reviews pertinent documents/contracts to ensure compliance with applicable laws and regulations. Thus, staff from these Departments are very actively involved with the development and execution of this project.

**FISCAL AND SUSTAINABILITY IMPACT:**

There will be no fiscal impact to the General Fund, as the funding will be appropriated from CDBG program funds.

<b>Fund</b>	<b>General Ledger Number (Operating/CIP)</b>	<b>General Ledger Account Name</b>	<b>Remaining Budget Appropriation</b>	<b>Amount Requested</b>
2910	30.3240-66.3600	Capital Outlays Contribution – Bldg Construction	\$431,955	(\$240,000)
2910	55.9535-66.3000	Capital Outlays Building Improvements	\$0	\$200,000
2910	55.9535-63-6010	Outside Services Other Outside Services	\$2717	\$40,000

**ATTACHMENT:**

1. Resolution