



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 11, 2017**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT** **WARD: 2**

**SUBJECT: AWARD BID NO. 7473 FOR INSTALLATION OF SHADE STRUCTURE AND PLAY EQUIPMENT AT LINCOLN PARK, A COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED PROJECT, TO R.E. SCHULTZ CONSTRUCTION, INC., OF ORANGE, CA, IN THE AMOUNT OF \$137,430**

## **ISSUES:**

Contingent upon approval of the proposed amendment to the City's 2015-2016 HUD Annual Action Plan to allocate Community Development Block Grant funds in the amount of \$80,000 from prior year Unprogrammed Funds to the Lincoln Park Playground Shade Structure Improvements Project, award Bid No. 7473 and approve a construction contract for Installation of Shade Structure and Play Equipment at Lincoln Park to R.E. Schultz Construction, Inc., of Orange, California.

## **RECOMMENDATIONS:**

That the City Council:

1. Award Bid No. 7473 - Installation of Shade Structure and Play Equipment at Lincoln Park, Base Bid Item I-A, Installation of the City provided Shade Sails and Play Equipment (\$23,440), Additive Bid Item II-A, Removal & Replacement of Resilient Surfacing at the 5-12 Playground Area (\$67,995), and Additive Bid Item II-B, Removal & Replacement of Resilient Surfacing at the 2-5 Playground Area (\$45,995) to R.E. Schultz Construction, Inc. of Orange, California, in the total amount of \$137,430; and
2. Authorize the City Manager, or his designee, to execute a construction contract with R.E. Schultz Construction, Inc. of Orange, California, for Bid No. 7473, including making minor and non-substantive changes; and
3. Authorize the City Manager, or his designee, to execute project change orders not to exceed 10% of the original contract amount.

## **BACKGROUND:**

Lincoln Park is a 3.25 acre neighborhood park. In 2015, \$115,000 of Community Development Block Grant (CDBG) funds was approved to design and construct a new shade structure over the

existing play equipment at Lincoln Park (Attachment 1). The original cost estimate was only for minor demolition, grading, installation of a new shade structure and some play equipment upgrade, such as adding an ADA SuperScoop at the Sand Area, and a Blender Spinner and Gyro Twister at the 5-12 Play Area, replacement of miscellaneous play panels on the existing equipment, and minor surfacing repair. However, during the design process, it was found that the entire playground surfacing needs to be replaced to comply with ASTM Safety standards. Therefore, Additive Bid Items II-A and II-B for surfacing replacement were included in the bid documents for consideration. Upon receiving acceptable bids on April 19, 2017, additional fund from CDBG funds was requested in order to award the Additive Bid Items II-A and II-B to remove and replace the entire surfacing at both playground areas.

The purchase of the shade structure and play equipment for the project will be through a separate contract in an aggregate amount of \$37,877.17 from the manufacturer Landscape Structure, in accordance with Purchasing Resolution No. 22576 Section 201 (h) and California Multiple Award Schedules Purchasing Agreement.

### **DISCUSSION:**

On March 24, 2017, the Purchasing Division posted bid documents on the City's website for Bid No. 7473. On April 19, 2017, two bids were received. Per the attached Purchasing Services Manager's Bid Award Recommendation (Attachment 2), the lowest responsive and responsible bidder is R.E. Schultz Construction, Inc. of Orange, California. Staff's review of this bidder's references has elicited no negative information. Further, the State Contractor's Licensing Board records indicate that this bidder's license is current, active, and in good standing.

The Parks, Recreation, and Community Services Department, therefore, recommends that a construction contract in the amount of \$137,430 be awarded to R.E. Schultz Construction, Inc. for the Installation of Shade Structure and Play Equipment at Lincoln Park. A supplemental fund of \$95,000 is required to award all bid items and complete the project. Contingent upon approval of the proposed amendment to the City's 2015-2016 HUD Annual Action Plan to allocate CDBG funds in the amount of \$80,000 from prior year Unprogrammed Funds to the Lincoln Park Playground Shade Structure Project, and using \$15,000 from the Heal Zone Grant Fund, Account 9897520885-42650000, sufficient funding will be available.

The Purchasing Services Manager concurs with the award recommendation. Community & Economic Development Director also concurs with the recommendations.

This project is expected to start in August, and be completed in November 2017.

### **FISCAL IMPACT:**

The total project cost is \$210,000 (Table 1). With the additional \$95,000 supplemental appropriation, sufficient funds will be available to award the contract and complete the project.

<b>Table 1 - Project Funding Needed</b>	<b>Amount</b>
Construction Contract Award (Base Bid & Additive Bid Item II-A & II-B)	\$137,430
Purchase of Shade Structure and Play Equipment	\$37,900

Construction Contingency	\$13,740
Construction Inspection & Contract Administration	\$15,000
Design / Survey / Bidding Phase	\$5,930
<b>Total:</b>	<b>\$210,000</b>

<b>Table 2 – Funding Sources</b>	<b>Account Number</b>	<b>Amount</b>
Original CDBG Funds allocation	9257100611-44012000	\$115,000
Unprogrammed CDBG Funds – Supplemental Appropriation	9257100611-44012000 (pending)	\$80,000
Heal Zone Fund – Supplemental Appropriation	9897520885-42650000	\$15,000
<b>Total:</b>		<b>\$210,000</b>

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director  
 Certified as to availability of funds: Scott G. Miller, PhD, Chief Financial Officer/City Treasurer  
 Approved by: Alexander T. Nguyen, Assistant City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Lincoln Park Playground Shade Structure Plans
2. Bid Award Recommendation