



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Public Works

Meeting Date: June 19, 2023

Report #:2305-1392

TITLE

Approval of Construction Contract with OBS Engineering, Inc. (#C23187759) in the Amount of \$4,199,222 and Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$419,922 for the Boulware Park Improvements project (PE-17005) and Green Stormwater Infrastructure project (SD-22001); and Approval of FY 2023 Budget Amendments in the Park Development Impact Fee, Stormwater Management, and Capital Improvement Funds; CEQA status—exempt under CEQA Guidelines sections 15301 (existing facilities), 15302 (replacement or reconstruction), 15303 (small structures), and 15311 (accessory structures)

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or their designee to execute construction contract No. C23187759 with OBS Engineering, Inc. in an amount not-to-exceed \$4,199,222 for the Boulware Park Improvements Capital Improvement Program project (PE-17005) and the Green Stormwater Infrastructure Stormwater Management Fund project (SD-22000);
2. Authorize the City Manager or their designee to negotiate and execute change orders to the contract No. C23187759 with OBS Engineering, Inc., the total value of which shall not exceed \$419,922, for related, additional but unforeseen work that may arise; and
3. Amend the Fiscal Year 2023 Budget Appropriation (requires 2/3 approval) for:
 - a. The Park Development Impact Fee Fund by:
 - i. Decreasing the Ending Fund Balance by \$1,500,000; and
 - ii. Increasing the transfer to the Capital Improvement Fund by \$1,500,000.
 - b. The Stormwater Management Fund by:
 - i. Decreasing the Green Stormwater Infrastructure project (SD-22001) by \$114,950; and
 - ii. Increasing the transfer to the Capital Improvement Fund by \$114,950.
 - c. The Capital Improvement Fund by:
 - i. Increasing the Boulware Park Improvements project (PE-17005) revenue estimate for grants from the State of California by \$218,979; and

- ii. Increasing the Boulware Park Improvements project (PE-17005) transfer from the Park Development Impact Fee Fund by \$1,500,000; and
- iii. Increasing the Boulware Park Improvements project (PE-17005) transfer from the Stormwater Management Fund by \$114,950; and
- iv. Increasing the Boulware Park Improvements project (PE-17005) appropriation by 1,833,929.

EXECUTIVE SUMMARY

This action would enable the City to engage with the lowest responsible bidder, OBS Engineering, Inc. who was 3% below the current engineer's estimate to complete construction of the Boulware Park Improvements project and approve necessary budget amendments to ensure sufficient project funding. The Boulware Park Improvements project (PE-17005) began in 2018 to implement necessary infrastructure and maintenance improvements to the existing Boulware Park parcel and updated with the purchase of the adjacent Birch Street property in 2019, the scope of the park project expanded to renovate both parcels as one contiguous park facility.

The park design was developed through an intensive community engagement process from 2019 through 2022. The initial project budget established in 2019 and maintained at this initial level until a procurement process was complete. Costs have increased due to construction inflation over the last few years by 10%-15% and design elements incorporated through community-based design. Other factors contributing to the increased project costs are utility upgrades required to meet increased electrical demand for park facilities and additional drainage elements.

BACKGROUND

In 2017, Council approved capital improvement funding to address Boulware Park maintenance needs as part of the Fiscal Year 2018 Capital Budget. The renovation included infrastructure, accessibility, and maintenance improvements. The project was postponed to Fiscal Year 2019 due to budget/resource constraints and prioritization of capital projects. During that period, the adjacent 3350 Birch Street property owned by AT&T became available. The City pursued the purchase of the parcel in order to add new parkland to the Ventura neighborhood, which is densely populated and has a limited amount of open space. Upon finalizing the purchase of the land in 2019, the City re-engaged the community-based design process to determine how the existing Boulware Park and the newly purchased property would be developed into one contiguous park. On February 10, 2020, Council adopted an ordinance dedicating 0.64 acres of land adjacent to 3350 Birch Street to become part of Boulware Park.¹

Community Outreach Process

The City conducted a series of public outreach meetings to develop the park improvement

¹ City Council, February 10, 2020; Agenda Item #8, SR #10990
<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2020/id-10990-park-dedication.pdf?t=60521.13>

design. On November 9, 2019, the first community meeting was held at Boulware Park. The goal of the meeting was for the community to have the opportunity to provide input on what park facilities should be considered in the renovation and expansion of Boulware Park.

The community provided input on different park facilities and ranked them based on preference and priority. The facilities presented were drawn from existing facilities at Boulware Park and facilities that were highlighted in the Parks Master Plan to be considered as part of all park renovation projects. These facilities included:

Existing Facilities at Boulware Park

Playground
Basketball Court
Group Picnic Area
Open Turf Area

Master Plan Identified Park Facilities

Restroom
Dog Park
Community Garden
Loop Walking Path
Adult Fitness
Pickle Ball Courts
Shaded Seating Areas
Habitat/Native Planting
Security Lighting

Upon completion of the first community meeting, an on-line survey was released for those who could not attend. A total of 62 community members responded to the survey. Survey responses can be viewed on the project web page at www.cityofpaloalto.org/boulwarepark.²

Input from the community and survey, as well as an initial draft park plan, were presented to the Parks and Recreation Commission (PRC) on January 28, 2020.³ The PRC stressed the importance of aligning the proposed park plan with the recommendations of the North Ventura Coordinated Area Plan (NVCAP), which is an on-going comprehensive community planning effort to provide a walkable, mixed-use neighborhood.⁴ The PRC also expressed support for the initial draft plan including support for a dog park, the removal of a section of Ash Street to combine the two parcels of land, a restroom closer to the playgrounds, and limiting built park

² Boulware Park Renovation Project Webpage: <https://www.cityofpaloalto.org/Departments/Public-Works/Engineering-Services/Engineering-Projects/Boulware-Park-Birch-Street>

³ Parks and Recreation Commission, January 28, 2020; Agenda Item #5
https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/agendas-minutes/2020-agenda-and-minutes/boulware-park-staff-report-012820_mb.pdf

⁴ North Ventura Coordinated Area Plan Webpage: <https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Housing-Policies-Projects/NVCAP>

facilities along the edge of Matadero Creek for potential creek restoration.

On February 27, 2020, the City held a joint meeting with the NVCAP working group.⁵ As the closest adjacent park to the proposed redevelopment area, Boulware Park is important in providing open parkland to the area. The community was presented three draft plan options of the overall park design for input, each of which combined the existing parkland and newly purchased AT&T property, as well as a portion of Ash Street. The design options and facilities were developed from the input received at the first community meeting and guidance from the PRC.

On December 7, 2020, a third community meeting was held to allow the community to review the draft park plan layout. Utilizing input collected from PRC and other previous community meetings, a final draft plan was presented for community input.

Overall, the park plan includes the following amenities:⁶

- Inclusive playground (both tot (2-5) & children (5-12))
- Basketball Court
- Restroom
- Dog Park
- Turn around Drop-Off
- Open Turf Area
- Loop Pathway
- Picnic Area
- Shaded Seating Area
- Bocce court
- Covered picnic area
- New head-in and accessible parking stalls along Lambert Avenue
- Environmental amenities include:
 - Runoff filtration gardens
 - Native habitat gardens
 - Net increase of 20 trees

⁵ North Ventura Working Group; February 27, 2020; https://www.cityofpaloalto.org/files/assets/public/planning-and-development-services/north-ventura-cap/nvcap_cw-agenda-for-posting-75518.pdf?t=57443.57

⁶ Boulware Schematic Park Plan: <https://www.cityofpaloalto.org/files/assets/public/public-works/engineering-services/webpages/pe-17005-boulware-park-improvements-project/schematic-plan-9.22.22-reduced.pdf>

The plan was supported by the community, including the locations of the proposed site amenities, the location of the restroom close to the playground, the added head-in-parking along Lambert Avenue, and the removal of the section of Ash Street. The community was also supportive of a proposed 65-foot setback for built structures along the creek in support of future creek restoration.

On January 26, 2021, PRC reviewed the proposed park plan and community feedback.⁷ The community and PRC supported the overall park plan design. PRC also expressed support for funding and implementing the Boulware Park Improvements project as soon as funding was available. On July 27, 2021, PRC voted unanimously to recommend that Council adopt a Park Improvement Ordinance for the proposed improvements at Boulware Park.⁸ The Council adopted the Ordinance on October 18, 2021⁹ with its second reading occurring on November 8, 2021.¹⁰ All materials presented to the community and PRC can be viewed on the project web site at www.cityofpaloalto.org/boulwarepark.

City staff submitted the project for Proposition 68 state grant funding and the project was awarded \$218,979. On December 13, 2021, Council adopted a resolution accepting the terms of the grant.¹¹ The grant funds will cover the cost of the group picnic area shade cover, playground equipment, and site furnishings.

ANALYSIS

Procurement Process

On April 20, 2023, an invitation for bids (IFB) for the Boulware Park Improvements project PE-17005 was posted to the City's Planet Bids eProcurement system. The bidding period was 33 calendar days. The City received two bids from qualified contractors on May 23, 2023 as listed on the attached proposal bid summary (Attachment A).

⁷ Parks and Recreation Commission, January 26, 2021, Agenda Item #3

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/agendas-minutes/2021-agendas-and-minutes/january-26-2021-parks-and-recreation-commission-agenda-item-3-boulware-design.pdf>

⁸ Parks and Recreation Commission, July 27, 2021, Agenda Item #3

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/agendas-minutes/2021-agendas-and-minutes/boulware-park-pio-staff-report-final.pdf>

⁹ City Council, October 18, 2021, Agenda Item #8, SR #13536

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/staff-reports/sr-13536-002.pdf>

¹⁰ City Council, November 8, 2021, Agenda Item #11, SR #13720

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmr/yr-archive/2021/sr-13720-002.pdf>

¹¹ City Council, December 13, 2021; Agenda Item #12, SR #13791

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/staff-reports/sr-13791-002.pdf>

A review of the bids included the base bid and all the bid alternates. Base bids ranged from \$3,709,710 to \$4,530,000 and from 3% below to 16% above the engineer's estimate of \$3,818,921. Bid alternates ranged from \$489,511 to \$503,421 and from 18% below to 16% below the Engineer's Estimate of \$595,979.

SUMMARY OF PROCUREMENT PROCESS

BID NAME/NUMBER	BOULWARE PARK IMPROVEMENTS PROJECT IFB #187759
<i>Proposed Length of Project</i>	462 calendar days
<i># of Bid Packages Downloaded Contractors</i>	12
<i># of Bid Packages Downloaded by Builder's Exchanges</i>	5-Builder's Exchanges; 33-prospective bidders
<i>Total Days to Respond to Bid</i>	33
<i>Pre-Bid Meeting?</i>	Yes (Non-mandatory)
<i>Number of Bids Received</i>	2
<i>Bid Price Range (Base Bid)</i>	\$3,709,710 - \$4,530,000
<i>Bid Price Range (Base Bid Plus Alternates)</i>	\$489,511 - \$503,421
<i>Public Link to Solicitation</i>	https://pbsystem.planetbids.com/portal/25569/bo/bo-detail/104889

Staff has reviewed all bids and recommends that the Base Bid of \$3,709,710, plus Additive Bid Alternates (1 through 28 as outlined in Attachment A) of \$489,511, for a total of \$4,199,222 submitted by OBS Engineering, Inc. be accepted and that OBS Engineering, Inc. be declared the lowest responsible bidder. Bid alternate items were separated out from the base bid to allow for flexibility in prioritizing the park elements that could be included in the project scope with the available funding, including: the bocce court, synthetic turf in the dog park, basketball court acrylic surfacing, increased light fixtures, site furnishings, and playground equipment. The construction contingency amount of \$461,914, which equals 10 percent of the contract value, is requested for related, additional, but unforeseen work which may arise during the project, implemented via City-approved change orders.

Staff reviewed information and similar projects performed by the lowest bidder, OBS Engineering, Inc., and found them to be the lowest responsive and responsible bidder. Staff also checked with the Contractor's State License Board and confirmed that the contractor has an active license on file.

Staff recommends approval of Contract No. C23187759¹² in the amount of \$4,199,222, and a \$1.5 million budget amendment in the Park Development Impact Fee Fund. This additional funding will provide for a complete park renovation project that retains all key elements and maintains the design discussed during the community outreach process with guidance from the

¹² Contract No. C23187759 with OBS Engineering, Inc.

<https://www.cityofpaloalto.org/files/assets/public/public-works/engineering-services/cip-contracts/boulware-park-contract-final-c23187759r1.pdf>

park master plan. The higher engineer's estimate and bids reflect the current bidding environment, recent inflation and increased cost due the addition of utility upgrades required to meet increased electrical demand for park facilities and additional drainage elements compared to the original project estimate and budget. Additionally, staff from the Public Works and Community Services Departments prioritized this project to use the Park Development Impact Fees because of the importance to the community.

FISCAL/RESOURCE IMPACT

Partial funding for this contract is available in the Fiscal Year 2023 Boulware Park Improvements Project (PE-17005) and the Green Stormwater Infrastructure Project (SD-22001). The recommendations in this memorandum will increase the Fiscal Year 2023 budget appropriation in the Boulware Park Improvements Project (PE-17005) by \$1,833,929. The additional funding will also be used for administrative costs including utilities service fees, material testing, and outreach costs.

The ongoing maintenance costs for this project are estimated to be approximately \$50,000 annually for landscaping and custodial expenses, in addition to major renovations every 20 years after completion of this project to replace equipment and park amenities.

STAKEHOLDER ENGAGEMENT

Extensive stakeholder engagement has been completed in developing the proposed project improvement plan, including the many community and public meetings described in this report.

ENVIRONMENTAL REVIEW

The proposed Boulware Park and Birch Street Property Renovation Project is categorically exempt from the California Environmental Quality Act (CEQA) under Title 14 California Code of Regulations Section 15301 (Existing Facilities), Section 15302 (Replacement or Reconstruction), Section 15303 (New Construction of Small Facilities or Structures), and Section 15311 (Accessory Structures) because it consists of the redevelopment of an existing park. Although the new park area will also include the Birch Street property, the proposed amenities would largely replace existing amenities at the site (e.g., playgrounds, picnic areas, basketball court) or would otherwise provide local-serving amenities. Therefore, the expansion in use would be negligible. In addition, although a small new parking area is proposed, it would replace existing street parking along Ash Street that would be removed as part of the project. Therefore, these alterations to an existing public facility and addition of small new structures would be consistent with the Class 1 (Section 15301) and Class 3 (Section 15303) exemptions.

ATTACHMENTS

Attachment A: Bid Summary Table

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer