



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Community Services**

**Meeting Date: September 18, 2023**

Report #:2308-1921

### **TITLE**

Approval of Construction Contract C24187742 with OBS Engineering Inc., in the Amount Not-to-Exceed \$383,400 for Cameron Park Improvements, Capital Improvement Project PG-14002; Authorization of Contract Contingency in an Amount Not-to-Exceed \$38,340 for Related, Additional but Unforeseen Work Which May Develop During the Project; and Approval of a Budget Amendment in the Capital Improvement Fund; CEQA status - Categorically exempt per regulation 15301 (existing facilities).

### **RECOMMENDATION**

Staff recommends that Council:

1. Approve and authorize the City Manager or their designee to execute construction contract C24187742 with OBS Engineering Inc. in the amount not-to-exceed \$421,740 (includes \$38,340 contingency), for Cameron Park playground replacement and installation of site amenities;
2. Authorize the City Manager or their designee to negotiate and execute one or more change orders to the contract with OBS Engineering Inc. for related, additional but unforeseen work which may develop during the contract period, the total value of which shall not exceed \$38,340; and
3. Amend the Fiscal Year 2024 Budget Appropriation for the Capital Improvement Fund (requires 2/3 approval) by:
  - a. Increasing the Cameron Park Improvements capital project (PG-14002) by \$75,929; and
  - b. Decreasing the Infrastructure Reserve by \$75,929.

### **BACKGROUND**

In 1996, the Cameron Park playground was installed and has now exceeded its useful life. The playground is a wooden structure and frame that has been repaired over the past several years to extend its use. With the play structure now in need of a full replacement, staff solicited for

construction bids to replace the playground and site furnishings. The City Council adopted a park improvement ordinance for this project in February 2021.<sup>1</sup>

### **ANALYSIS**

Staff recommends approval of Contract No. C24187742 to remove and replace the play structure, replace the sand surfacing with rubber surfacing, add new site furnishings, and install a concrete walkway. The work is to be completed during fall 2023.

### **Bid Process**

This project has been out for bid solicitations on four occasions. The first solicitation, IFB 178594, was issued in March 2020. However, this solicitation was canceled due to the onset of the COVID-19 pandemic and a County Health Order prohibiting most construction activities.

A second solicitation, IFB 181798, was issued on July 2, 2021 and received nine bids; all of which were higher than the project budget. A third solicitation, IFB 181798, was issued on May 12, 2022 and received five bids; all of which were also higher than the project budget. The City did not issue an intent to award during either of these solicitations due to a nonconformance administrative error in the bid process or lack of a responsible proposer.

A fourth solicitation, IFB 187742 was issued on March 30, 2023 and received one bid from OBS Engineering Inc. Despite being publicized on the City's PlanetBids portal and sent to 21 contractors and two Builder's Exchanges, the solicitation did not result in multiple bids. The responsive proposal was also above projected budgeted funds, consistent with the prior two solicitations in 2021 and 2022.

**Table 1: Summary of Invitation for Bids**

<b>Bid Name / Number</b>	<b>Cameron Park Improvements / IFB 187742</b>
Proposed Length of Project	90 Days
Number of Bid Notices Emailed to Contractors and Builder's Exchanges	23 Notices
Total Days to Respond to Bid	48 Days
Pre-Bid Meeting	Yes; Non-Mandatory
Number of Bids Received	1 Bid
Bid Price Range	\$383,400

Staff recommends proceeding as this project has been solicited for bids on four occasions. Staff

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<sup>1</sup> City Council, February 8, 2021; Agenda Item #7; SR #11890, <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-11890-%5b80087%5d.pdf>

has reviewed the bid submitted by OBS Engineering Inc. and recommends that the base bid of \$383,400 be accepted and that OBS Engineering Inc. be declared the lowest responsible bidder. The change order amount of \$38,340 (which equals 10 percent of the base bid) is requested for related, additional, but unforeseen work which may develop during the contract term. The contract total amount not to exceed is \$421,740.

### **FISCAL/RESOURCE IMPACT**

A portion of the funding for the Cameron Park Improvements project (\$345,811) is recommended to come from funds appropriated as part of the Fiscal Year 2024 Adopted Capital Budget in the Cameron Park Improvements capital project (PG-14002). An additional \$75,929 is recommended to be appropriated to PG-14002 through a Budget Amendment from the Capital Improvement Fund's Infrastructure Reserve to fully fund the total not to exceed contract of \$421,740. The Infrastructure Reserve was adopted with \$3.6 million in FY 2024.

### **STAKEHOLDER ENGAGEMENT**

The Cameron Park Improvements repair project was coordinated between Community Services and Public Works Engineering staff for the design with input from a community survey and two virtual community outreach meetings on May 6 and July 2, 2020. The project was also reviewed with the Parks and Recreation Commission on June 30<sup>2</sup> and September 22<sup>3</sup>, 2020. Lastly, Community Services staff also coordinated with the Purchasing Division on bid review and re-bids.

### **ENVIRONMENTAL REVIEW**

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301 (existing facilities) of the CEQA regulations as maintenance to an existing facility.

### **ATTACHMENTS**

Attachment A: Contract C24187742 with OBS Engineering Inc.

**APPROVED BY:** Kristen O'Kane, Community Services Director

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<sup>2</sup> Parks and Recreation Commission, June 30, 2020; Agenda Item #4;  
<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/agendas-minutes/2020-agenda-and-minutes/cameron-park-staff-report-063020-final.pdf>

<sup>3</sup> Parks and Recreation Commission, September 22, 2020; Agenda Item #2;  
<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/agendas-minutes/2020-agenda-and-minutes/september-22-2020-parks-and-recreation-commission-agenda-item-2-cameron-park-staff-report-with-pio.pdf>