

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Mary K. Lindley, Parks, Recreation, & Community Services Director

BY: Roger O. Blais, Parks and Landscape Manager 

DATE: March 20, 2009 (CC Meeting of April 1, 2009)

SUBJECT: Consider Award of Contract to California Skate Parks, Inc. for the Poindexter Park Expansion Project and Consider an Agreement with Pacific Materials Laboratories for Soils Testing, Lab Work and Inspections, and Authorize Loan of \$1,500,000 From Special Project Fund to Park Improvement Zone 1 Fund

DISCUSSION

On December 17, 2008, City Council approved the design and specifications for construction of the Poindexter Park Expansion. The estimated budget presented to the Council was \$2,383,000. The bid process for construction of the project closed on March 10, 2009, and the City Council is now being asked to approve the award of contract to the lowest qualified responsive bidder, California Skate Parks, Inc.

The Poindexter Park Expansion project is an approximately 2 acre expansion which includes site demolition, grading, drainage and various improvements: in-ground skate park, full-court basketball court, new play lot designed for youth between the ages of 8 and 12, landscaping, pathways, and picnic amenities. In addition, an Add Alternate for 24,297 square feet of sod, in place of hydro seed, was included in the bidding document.

Contractors bidding this project were required to meet specific experience qualifications above the typical standard licensing, bonding capacity, and insurance requirements related to the construction of the park improvements and skate parks. To ensure that the City would receive a high-quality skate park, the contractor submitting the bid proposal (the general or prime) also had to demonstrate that they had completed at least three similar public park projects with an in-ground concrete skate parks and similar amenities since January 2004, within the state of California, in which the skate park construction constituted at least \$500,000 of the total construction cost, and was deemed satisfactory to the owner of the project. They are also required to have a class A General Engineering License and the contractor or its subcontractor must be able to provide evidence of experience in cast-in-place concrete and shotcrete work.

The bid results, based on the construction of the project as originally designed, and with the above design alternative are as follows:

Contractor	Base Bid	Add Alternate #1
Valley Crest Landscape Development	\$ 1,670,000.	\$ 12,900.
California Skate Parks, Inc.	\$ 1,745,326.	\$ 20,000.

The bids were reviewed for completeness and mathematical errors. Staff contacted the references submitted and determined that the low bidder Valley Crest Landscape Development, does not meet the required qualifications for this project. Of the ten references submitted by Valley Crest, only one reference provided the construction requirements necessary to meet our City qualifications as the entity submitting a proposal for this project.

California Skate Parks, Inc. submitted four references – all were positive. A reference check shows that California Skate Parks is highly recommended. They meet all required qualifications of the project manual and specifications for this project, and possess the necessary licenses to perform the work and have experience constructing similar projects for other cities in California.

Based on the lowest qualified base bid of California Skate Parks, Inc., the construction cost remains within the FY 2008/09 total budget allocation for this project. City Council is now being asked to approve the award of contract to the lowest qualified responsible bidder, California Skate Parks, Inc. In addition, staff proposes that City Council reject the one Add Alternate for sod. Staff believes that seed germination will be established for grass areas during optimal growth periods, and that sod will not be necessary.

Staff proposes that the City Council reject the bid of Valley Crest Landscape Development. While this company has excellent recognition of performance in the landscape industry, they did not meet the requirements of having completed three skate parks since January 2004 to qualify as required in the bid document.

As stated above, at the time of the December 17, 2008, Council meeting, the estimated budget for the project was \$2,383,000. With the bidding phase now completed, the revised budget is as follows:

Description	Completed Work	Pending Work	Total
Construction		\$1,745,326	
Construction Plans & Specifications	\$77,000		
Conceptual Plan	\$26,000		
Plan Check, Permits & Reproductions		\$ 15,000	
Soils/Lab Testing		\$ 47,100	

Construction Management		\$ 43,000	
Contingency (15%)*		\$ 278,000	
Preliminary Site Work **	\$14,000		
Total	\$117,000	\$2,128,426	\$2,245,426

* Included in calculation of 15% contingency
 ** Water well and tree removal

The fiscal year 2008/09 includes \$2,295,369 for the project, \$49,943 more than the current cost estimate.

In the April 18, 2007, Council Agenda Report, the proposed funding source of the project was \$89,495 from the State Park Bond and the remaining from the Park Improvement Fund (PIF). At that time, it was proposed that \$700,000 (the approximate cost of the skatepark) come from the PIF – Community Wide Zone Fund, used for projects with community wide benefit including Arroyo Vista Community Park, and the remaining from PIF - Zone 1 (downtown), the Zone that Poindexter Park is within. PIF consists of fees paid by residential developers in-lieu of setting aside parkland. It was recognized that Zone 1 does not have the necessary fund balance available; however, it was projected that within the next 10 years, or at build out, Zone 1 will have a fund balance of approximately \$5.5 million and that the Community Wide Zone Fund would have a fund balance of approximately \$8.8 million. Additionally, prior to the recent adoption of the State's budget, all Park Bond appropriations were placed on hold. Therefore, there may be a delay in the receipt of the City's \$89,495 bond funds beyond the completion of the project. As a result of the short fall in Zone 1, and the potential delay in payment of the park bond, the City Council will need to approve a loan from either the City's Endowment Fund, Special Projects Fund, General Fund, or Redevelopment Agency for approximately what would be necessary.

Based on our current cost estimates, funding for the project is as follows:

Funding Source	Allocation
State Park Bond	\$ 89,495
PIF – Zone 1 (requires a temporary loan of approximately \$1.5 million)	\$1,455,931
Community Wide Zone	\$ 700,000
Total Revenue	\$2,245,426

To proceed with construction, the City needs to secure the services of a soils testing, inspection, and lab testing consultant. Staff proposes using Pacific Materials Laboratory (PML) at a cost not to exceed \$47,100. PML has performed work for the City on a number of park improvement projects, most recently the Veterans Memorial Park

Project and Arroyo Vista Recreation Center Expansion Project. The cost of the soil testing and inspection work was included in the project budget presented above.

FISCAL IMPACT

As discussed above, the total estimated cost of the project is \$2,245,426 (includes contingency), approximately \$50,000 less than what was included in the fiscal year 2008/09 budget. However, PIF Zone 1 and the park bond funding sources require temporary loans totaling approximately \$1.5 million. The Council should note that the interest that would be earned by the loaning funding source will be negatively impacted in an amount of \$20,000 to \$50,000 per year for every \$1 million loaned; although, the interest would be repaid based on the average LAIF rate for the previous, along with the principal. The timeline for the repayment of the loan will depend on the pace of new development and the payment of parkland fees. Annual maintenance and operations cost for the two acre expansion is estimated to be \$18,000.

STAFF RECOMMENDATION Roll Call Vote

- 1) Approve the project's scope of work to exclude the one Add Alternate;
- 2) Reject bid proposal of Valley Crest Landscape Development and award the construction agreement to California Skate Parks, Inc. at a cost not to exceed \$1,745,326;
- 3) Authorize the City Manager to execute the agreement on behalf of the City and to amend the construction contract for project contingencies in an amount not to exceed \$261,798;
- 4) Approve a contract with Pacific Materials Laboratory (PML) for soils testing, lab work, and inspections at a cost not to exceed \$47,100, and authorize the City Manager to execute the agreement on behalf of the City and to amend the contract for project contingencies in the amount not to exceed \$10,000; and
- 5) Approve a loan of up to \$1.5 million from the Special Projects Fund to be repaid with interest based on the average LAIF rate for the previous year.

Attachment: Budget Amendment Resolution

RESOLUTION NO. 2009 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA AUTHORIZING A LOAN OF UP TO \$1,500,000 FROM THE SPECIAL PROJECTS FUND (4004) TO THE PARK IMPROVEMENT ZONE 1 FUND (2111) FOR THE POINDEXTER PARK EXPANSION

WHEREAS, on July 2, 2008, the City Council adopted the Operating and Capital Improvement Budget for Fiscal Year 2008/09; and

WHEREAS, the adopted budget included an aggregate appropriation in the Park Improvement Zone 1 Fund (2111) of \$2,295,369 for Capital Improvement Project No. 7801 - Design and Construction of Poindexter Park Expansion; and

WHEREAS, the same budget provided that the Park Improvement Community Wide Fund (2100) would transfer \$700,000 to Park Improvement Zone 1 Fund (2111) to partially finance the Poindexter Park Expansion Project; and

WHEREAS, a staff report has been presented to the City Council requesting a loan of up to \$1,500,000 from the Special Projects Fund (4004) to the Park Improvement Zone 1 Fund (2111) for the Poindexter Park Expansion Project, with variable interest based on the average interest rate earned by LAIF from the previous year; and

WHEREAS, said staff report directs the loan funds to be transferred from Special Projects Fund (4004) to the Park Improvement Zone 1 Fund (2111) when needed and the principal and interest to be repaid as new development and parkland fees are collected; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1: The loan of up to \$1,500,000 from the Special Projects Fund (4004) to the Park Improvement Zone 1 Fund (2111), with variable interest based on the average interest rate earned by LAIF from the previous year, is hereby approved.

SECTION 2: That a fund transfer of up to \$1,500,000, as particularly described in Exhibit "A", is hereby approved.

SECTION 3: At fiscal year end, Finance department shall transfer out any surplus fund balance in the Park Improvement Zone 1 Fund (2111) to the Special Projects Fund (4004) to repay the principal and interest accrued for the period until the loan is fully satisfied.

SECTION 4: The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 1st day of April, 2009.

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, Assistant City Clerk

Attachment: Exhibit 'A': Budget Appropriation and Fund Transfer Detail

**Budget Amendment for
Special Projects and Park Improvement Zone 1 Funds
for Transfer \$1,500,000 Loan Required for Poindexter
Park Expansion Project
FY 2008/09**

A. Fund Allocation

Fund Description	Account	Amount
Special Projects Fund	4004-5500	1,500,000
	Total	1,500,000

B. Appropriation Allocation

Budget Number	Adopted Budget	Budget Change	Revised Budget
FROM:			
4004-7800-7803-9820	\$0	1,500,000	\$1,500,000
TO:			
2111-3720	\$0	1,500,000	\$1,500,000

Finance Approval: *Bob Ahlers*