



MEMORANDUM

**DATE:** July 10, 2023

**TO:** Honorable Mayor and City Councilmembers  
Dave Perrault, City Administrator

**FROM:** Lucas J. Miller - Assistant Public Works Director

**SUBJECT:** Arden Manor and Floral Park Improvements – Change Order #1

Budgeted Amount:	Actual Amount:	Funding Source:
\$606,000 – Floral Park	-\$115,649.89	CDBG Funds, PIR – Parks
\$249,700 – Arden Manor	(\$1,121,492.38 w/CO#1)	

**Council Should Consider**

Motions to approve, table, or deny the following:

- Change Order #1, removing the Arden Manor Park hard court improvements scope of work from the Arden Manor Park and Floral Park Improvements Project Contract with Peterson Companies in the amount of -\$115,649.89.

**Background**

On April 12, 2021, City Council approved Resolution 2021-017 supporting the City’s application for a CDBG funding opportunity for Arden Manor Park. At a Work Session on November 15, 2021, Council discussed the proposed improvements at Arden Manor Park and Floral Park Hardcourt. At the November 22, 2021 Council meeting, the PSA with HR Green was approved to design and construct Arden Manor Park and Floral Park Hardcourt. On October 24, 2022, Council approved the PSA Amendment with HR Green to add the Floral Park playground structures and park equipment to the overall project. On May 15, 2023, the 95% design plans were presented to Council at the Work Session for final comments. On May 22, 2023, the plans and specifications were approved by the City Council and pursuant of Resolution 2023-027, bids were opened on June 5, 2023. At the June 12, 2023 regular Council meeting, City Council decided to table the item to discuss project scope at the June 20, 2023 Work Session. Options were discussed at the Work Session to get the project to fit within the budget, and there was interest from Council to potentially remove the hard court at Arden Manor Park from the contract and pursue future CDBG grants to cover the costs of that work and build that scope in the future. On June 26, 2023, Council approved Resolution 2023-032, Accepting the Bid and

Awarding the Arden Manor Park and Floral Park Improvements Project Contract to Peterson Companies in the amount of \$816,523.35.

Primary elements of improvements at each park are play structure replacement, play structure container replacement, hard court rehabilitation, trail improvements, ADA improvements, shelter improvements and other amenities. If the project is to move forward, the anticipated schedule would allow for construction to start this summer and final completion late Fall of 2023.

**Discussion**

At the June 20, 2023 Work Session, City Council directed staff to remove the Arden Manor hard court from the scope of the project and pursue future CDBG funds in February 2024 to apply towards construction in the future.

Staff contacted Peterson Companies, Inc. to discuss the project scope change and agreed to a change order following award of the contract in the amount of -\$115,649.89, which will result in a new contract amount of \$700,873.46.

In the Project Manual, Sections 13.03 of the Arden Hills Supplementary General Conditions and Section S-32 of the General Requirements state the following:

*“There will be no adjustment in unit price for increased or decreased quantities. In addition, the Owner reserves the right to reduce certain quantities or delete certain items from each section of the bids as the Owner sees fit, either before or after the Award of Contract.”*

By recommendation of the City Attorney, the full contract amount should be awarded as bid and followed with a change order at a future regular Council meeting.

**Budget Impact**

The project funding is provided below:

Funding

Arden Manor Park:

CDBG Program	\$ 189,700
City PIR - Parks	\$ 60,000
<u>Total</u>	<u>\$ 249,700</u>

Floral Park:

City PIR - Parks	\$ 606,000
<u>Total</u>	<u>\$ 606,000</u>

Per CIP: Roof work	\$ 30,000
Play structure	\$150,000
Hard courts	\$426,000

Actual project totals:

	<u>Arden Manor</u>	<u>Floral</u>	<u>TOTAL</u>
Engineering	\$ 71,742.88	\$ 52,287.12	\$ 124,030.00
Contractor	343,721.24	472,802.11	816,523.35
Playground Equip	115,469.11	79,549.81	195,018.92
Shelter	41,006.00	27,964.00	68,970.00
Park Amenities	13,050.00	19,550.00	32,600.00
Change Order 1	(115,649.89)		(115,649.89)
Actual Total	\$ 469,339.34	\$ 652,153.04	\$ 1,121,492.38
Over CIP Budget	\$219,639.34	\$ 46,153.04	\$265,792.38

The actual cost, after Change Order 1, is \$265,792.38 over the total budgeted amount for both parks. This will have an impact on future CIP projects. Additional possible funding sources discussed at the June 20, 2023 work session were LGA funds, Arden Hills Foundation and savings in the General Fund Street Maintenance budget.

**Attachments**

Attachment A: HR Green Recommendation Letter for CO#1

Attachment B: Change Order #1 with Peterson Companies, Inc.