

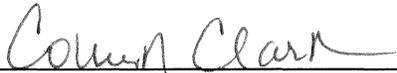
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REQUEST FOR CITY COUNCIL ACTION

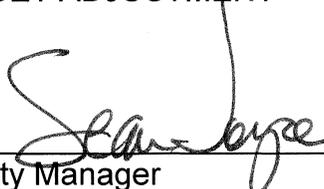


CITY COUNCIL MEETING DATE: MAY 8, 2007

TITLE: ORANGE COUNTY GREAT PARK CORPORATION BALLOON PROJECT BID,
ADD ALTERNATES, AND PROPOSED BUDGET ADJUSTMENT



Chief Executive Officer



City Manager

RECOMMENDED ACTION

1. Approve a budget adjustment to the Fiscal Year 2006-07 Great Park budget reducing the anticipated contribution from Heritage Fields by \$155,700.
2. Approve an increase to the Orange County Great Park Balloon Project Budget (CIP No. 377040) by \$179,300 to reestablish the project contingency.
3. Provide direction to staff to add any or all of the following options to the Orange County Great Park Balloon Project (CIP No. 377040):
 - Option 1: Asphalt roadway with wood header edges that connects Marine Way to the Balloon site, an asphalt paving extension on the east side of the parking lot, and bus parking lot paint lines (\$154,688).
 - Option 2: Timeline painting mock-up and the timeline painting (\$10,224).
 - Option 3: 47 36" box citrus trees with irrigation and mulch for ground cover (\$18,286).
 - Option 4: Planting of areas outside of the balloon berm, installation of irrigation, and hydro seed (\$61,695).
 - Option 5: Center paint line and orange dots for entire length of entrance drive from the entry guard shack to the balloon parking lot (\$14,376).
4. Provide direction to staff to purchase the visitors center tent at an additional project cost of \$244,000.
5. Approve a budget adjustment allocating funds from the OCGP Fund 180 fund balance in the amount identified in recommendations 1 and 2, and any option(s) directed from recommendation 3 and 4 above.

EXECUTIVE SUMMARY

On January 9, 2007, the Irvine City Council authorized a budget in the amount of \$3,695,269 for the Orange County Great Park Balloon project. The proposed budget was based on the architect's estimate for engineering and design, balloon construction, development of an eight-acre site, portable restrooms, a tent to be used as a temporary visitors center, a parking area to service up to 120 vehicles, costs for the necessary permits and certifications and a \$254,727 contingency. Insurance costs in the amount of \$110,000 were also included in the budget authorization.

A bid package was structured in components with a statement that the contract would be awarded on the amounts submitted for the base scope of work. The base scope of work included all of the items noted above. Additional enhancements to the base scope of work were included as bid alternates in the event that additional funding was available in the engineer's estimate. Bids for the construction work were opened on April 5, 2007 and the contract was awarded to Cal-Pac Engineering as the lowest responsive and responsible bidder on the base scope of work; no bid alternates were awarded.

Award of the bid was within the total project budget as adopted by the City Council. The balloon project budget, as approved, included an offsetting contribution from Heritage Fields in the amount of \$905,700. The \$905,700 contribution was staff's estimate of the remaining balance of the Heritage Fields total gift amount of \$1.9 million (after delivery of the balloon and related hardware to the Great Park). The actual amount received from Heritage Fields on April 19, 2007 was \$750,000. Heritage Fields has indicated they have not completed a final accounting of all balloon related costs. Once completed, they will transfer any remaining funds to the City for inclusion in the project budget. In order to insure adequate project funding, staff requests authorization to reduce the budgeted contribution from Heritage Fields by \$155,700 and reduce fund balance in Great Park Fund 180. In addition, since the contingency was used as part of the contract award, staff requests that the contingency be increased by \$179,300 or 5% of the base bid. Due to the fact that the project is located LIFOC area (Lease in Furtherance of Conveyance), it is conceivable that unknown or unplanned issues could arise that would require additional funding. A contingency will allow the project to proceed on a timely basis without stopping for additional authorization.

Following award of the contract, Ken Smith of the Great Park Design Studio, indicated that the bid option items were critical to the artistic vision for the park and would compliment and enhance the overall design. Staff is requesting that the City Council provide guidance as to which option(s) they wish to fund at this time. The total cost of all five options is \$259,269. Staff feels the appropriate time is now to consider the add alternate options given that the cost for each project option is known, was part of the original bid package, the contractor is mobilizing and beginning the project and can provide these options as part of the total project cost.

At the Orange County Great Park Corporation Board meeting of April 26, 2007, the Board requested that staff consider purchasing the visitor center tent as an option to renting. The cost to purchase the tent is approximately \$300,000 and the annual rental fee is \$157,500

plus a two month advance that was included in the project budget. If the City Council chooses to purchase the tent, it will increase the project cost by \$244,000 and the FY 2007-2008 budget for operations will be reduced by \$157,500.

STATEMENT OF THE ISSUES

On January 9, 2007, the Irvine City Council approved a budget for the balloon project in the amount of \$3,695,269 and authorized staff to issue a Contract Task Order to the Great Park Design Studio to prepare design and construction drawings for the balloon and eight-acre balloon site. The approved budget assumed a \$905,700 donation of the remaining funds from Heritage Fields, leaving a net cost to the Orange County Great Park of \$2,789,569 including project permitting and a 10% contingency.

The plans, specifications and contract documents were approved by the Irvine City Council at the February 27, 2007 meeting. The approved balloon construction documents were published for bid advertisement on March 1, 2007.

On April 5, 2007, staff conducted a public bid opening for the balloon project and awarded the contract on a base bid of \$2,678,731 to the lowest responsive and responsible bidder. While the bid amount exceeded the architects estimate for construction, sufficient funds were available from the architectural design and engineering category and contingency to complete the project within the authorized funding.

Heritage Field's Contribution – Balloon Project Funding

Based on information from Heritage Fields, staff reported in January 2007, that the estimated remaining amount of funding available from Heritage Fields for the Balloon Project was \$905,700. This amount was included as an anticipated contribution to the Balloon Project, thus reducing required Orange County Great Park funding. Heritage Fields expenses for shipment, customs processing, temporary storage, legal fees for contract development and for assistance in securing FAA clearance for the balloon exceeded their original estimates, and the final amount paid to the City for the balloon project in fulfillment of their \$1.9 million gift was \$750,000. Because the full \$905,700 was anticipated to be available for funding, staff is requesting approval of a budget adjustment to the Fiscal Year 2006-07 Great Park budget reducing the anticipated contribution from Heritage Fields by \$155,700 and reducing fund balance for the Orange County Great Park Fund 180 by the same amount. Without reestablishing this funding through a contribution of fund balance, there will not be sufficient funds to complete the project.

Project Contingency

Staff is recommending that a project contingency be reestablished as a necessary part of a base closure project. The original project contingency was 10% of the engineer's estimate and was allocated as part of the funding necessary to award the base bid. Staff is requesting a 5% contingency, or \$179,300, to be appropriated now and will only be used if and when needed to complete the balloon project.

Optional Design Enhancements

The Irvine City Council approved a base scope of work for a helium balloon placed on an eight-acre site near the designated sports park area. The base scope included installation of the helium balloon, balloon-support infrastructures, a parking area, tent rental for a temporary visitor center, sidewalks, vinyl display boards, and landscaping and irrigation.

During design development, the Great Park Design Studio recommended the inclusion of design enhancements outside of the eight-acre site as Add Alternates in the event that the base bid received was within the Architect's Estimate and the City Council's approved budget. The Add Alternates were presented as possible additional work in the bid documents. The five (5) Add Alternates below total \$259,269 and their respective descriptions and bids include:

Option 1: Asphalt roadway with wood header edges that connects Marine Way to the Balloon site, an asphalt paving extension on the east side of the parking lot, and bus parking lot paint lines (\$154,688).

Option 2: Timeline painting mock-up and the timeline painting (\$10,224).

Option 3: 47 36" box citrus trees with irrigation and mulch for ground cover (\$18,286).

Option 4: Planting of areas outside of the balloon berm, installation of irrigation, and hydro seed (\$61,695).

Option 5: Center paint line and orange dots for entire length of entrance drive from the entry guard shack to the balloon parking lot (\$14,376).

Although the current project budget would not support these options, the Great Park Design Studio feels that the addition of the options are important to the overall artistic quality of the project and will provide the needed enhancement to compliment the current design. In addition, if the Council determines they ultimately want to have these items included, this would be the most cost effective time for inclusion due to the fact that the contractor is mobilized and on site.

Purchase of Visitors Center Tent

At the Orange County Great Park Corporation Board meeting of April 26, 2007, the Board requested that staff consider purchasing the visitor center tent as an option to renting. The cost to purchase the tent is approximately \$300,000 and the annual rental fee is \$157,500, plus a two-month advance that was included in the project budget. If the City Council chooses to purchase the tent, it will increase the project cost by \$244,000 and the FY 2007-2008 budget for operations will be reduced by \$157,500.

The recommended budget adjustments will allow the Great Park balloon project to continue its current positive momentum and the complimentary Add Alternate design enhancements will allow for a comprehensive balloon site.

ALTERNATIVES

The City Council may choose a portion of or all of the project allocations proposed in this report. However, the balloon project may not be able to proceed without reducing the anticipated contribution from Heritage Fields by \$155,700 thus reducing Great Park Fund 180 fund balance by the same amount.

The recommended budget adjustments are consistent with the mission of the Great Park to develop the balloon project as the first order of work in the development of the first Great Metropolitan Park of the 21st Century.

FINANCIAL IMPACTS

Approval of all recommendations and options included in this report will increase project funding by \$838,269. Staff will prepare a comprehensive budget adjustment following City Council's direction concerning the recommended actions and the five project options and the tent purchase option presented in this report. Staff will also adjust the current project budget to reflect the current budget for design, construction, permitting, and project contingency

Report prepared by: Christina Lo, Great Park Manager of Engineering
Report reviewed by: Colleen Clark, Great Park Deputy Chief Executive Officer