



## STAFF REPORT

**Meeting Date:** July 28, 2021  
**To:** Board of Directors  
**From:** Michael J. Aho – District Administrator  
**Subject:** Award of Bid to Parc Specialty in the Amount of \$134,700 for Abatement in Village Park

### **I. Recommendation**

Award Bid No. BP#21-102 to PARC Specialty Contractors, Inc. for One hundred thirty-four thousand Seven hundred DOLLARS (\$134,700.00), for Village Park Hazardous Material Abatement and Demolition Project. Authorize the District Administrator to execute all agreements and contract associated with award (Attachment A) and authorize the District Administrator to execute change orders up to the \$30,000 allowance which is included in the total bid amount.

### **II. Background**

The District put out to bid work for site preparation, hazardous materials related removal, lead materials related removal, and demolition of structures as part of the Village Park Renovation project to include but not limited to the Tenant Building and Amphitheater Building. Selective demolition will take place at the Clubhouse Building and Arts & Crafts Building.

Bids for demolition and abatement were received by the District on July 13, 2021 with three licensed and bonded contractors bidding on the project. The bids included a required \$30,000 allowance for unforeseen expenditures. One of the three bids submitted their bid after the July 13 1:00pm deadline and was not opened. The two bids qualifying bids were:

- \$134,700.00
- \$297,500.00

Expenditures of the \$30,000 allowance must have prior approval from the District.

**III. Problem /Situation/ Request**

Notice to proceed will be issued by the District and work will be scheduled between the contractor and the District.

**IV. Financial Analysis**

The low bid of \$134,700.00 was received from PARC Specialty Contractors, Inc. Funding for this project will come from Measure J.

Respectfully Submitted,

Michael J. Aho  
District Administrator

Attachment A-Contract

**Section 00 52 00 - FORM OF CONTRACT**

ARTICLE 1. AGREEMENT FOR CONSTRUCTION

This contract is contingent upon Fair Oaks Recreation and Park District Board approval and will not be valid unless approved.

THIS AGREEMENT is made and entered into as of this **29th day of July, 2021**, by and between the Fair Oaks Recreation and Park District (hereinafter referred to as "District"), and **PARC Specialty Contractors, Inc.**, an independent contractor (hereinafter referred to as "Contractor").

District and Contractor hereby mutually agree as follows:

Section 1 - SCOPE OF WORK.

Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor and materials and transportation necessary to perform and complete in a good and workmanlike manner to the satisfaction of District, all work called for and in the manner designated in, and in strict accordance with, the Contract Documents as defined in Section 2 hereof, the Work for the **Village Park Hazardous Material Abatement and Demolition Project, BP#21-102.**

Section 2 - CONTRACT DOCUMENTS.

The Contract Documents, sometimes also referred to as "the Contract", consists as applicable, the Notice to Bidders, the Instructions for Bidders, the Proposal Form, the Agreement for Construction, the Bid Bond, the Performance Bond, the Payment Bond, these General Conditions, the Special Provisions, the General Requirements, Exhibits, the Technical Specifications, the Contract Drawings and Plans, all duly issued Addenda, Interpretations, Change Orders, supplemental drawings, Architect's Instruction Bulletins, the Contractor's Guarantee and Bond, Preliminary Construction Schedule, and the Contract Schedule.

Section 3 - DEFINITIONS.

Unless otherwise specifically provided herein, all words and phrases defined in the General Conditions shall have the same meaning and intent in this Agreement.

Section 4 - CONTRACT AMOUNT.

District agrees to pay and Contractor agrees to accept, for the full and complete performance of this Agreement in full payment for the Work performed the sum of **One hundred thirty-four thousand Seven hundred DOLLARS (\$134,700.00)**, subject to adjustment as provided in the Contract Documents.

Section 5 - MONTHLY PROGRESS PAYMENTS.

Monthly progress payments shall be made in accordance with Article 12 of the General Conditions of the Contract Documents.

Section 6 - FINAL PAYMENT.

Final payment shall be made in accordance with Article 21 of the General Conditions.

Section 7 - RETENTION OF SUMS CHARGED AGAINST CONTRACTOR.

When, under this provisions of the Contract Documents, District shall charge any sum of money against Contractor, District shall deduct and retain the amount of such charge from the amount of the next succeeding progress payment, or from any other monies due or that may become due to Contractor from District. If, on completion or termination of the Contract, sums due Contractor are insufficient to pay District's charges against Contractor, District shall have the right to recover the balance from Contractor or its sureties.

1 Section 8 - TIME OF COMPLETION.

2 The Work shall be commenced on the date specified in the District's "Notice to Proceed," (NTP) and shall  
3 be fully completed as described in the Contract Documents, including, without limitation, the General  
4 Conditions, **Construction completed within 45 days of the NTP, Punchlist, and project acceptance and**  
5 **close-out completion 60 days of the NTP** together with such additional time as may be provided by any  
6 change order issued pursuant to the Contract Documents.  
7

8 Time is of the essence in this Agreement and the Contract Documents. Failure of Contractor to complete  
9 the Work by the completion date and in the manner provided for by the Contract Documents shall subject  
10 Contractor to liquidated damages as hereinafter provided in this Agreement and the Contract  
11 Documents.  
12

13 Section 9 - NO WAIVER OF REMEDIES.

14 Neither the inspection by District or its agents, nor any order or certificate for payment of money, nor any  
15 payment for, nor acceptance of the whole or any part of the Work by District, nor any extensions of time,  
16 nor any position taken by District or its agents shall operate as a waiver of any provision of this Agreement  
17 or the Contract Documents or of any power herein reserved to District or any right to damages herein  
18 provided, nor shall any waiver of any breach of this Agreement or of the Contract Documents be held to  
19 be a waiver of any other or subsequent breach. All remedies provided in this Agreement and in the  
20 Contract Documents shall be taken and construed as cumulative; that is, in addition to each and every  
21 other remedy provided in this Agreement and/or the Contract Documents, and District shall have any and  
22 all equitable and legal remedies, which it would in any case have.  
23

24 Section 10 - LIQUIDATED DAMAGES.

25 Liquidated damages may be assessed against Contractor in accordance with Article 14 of the General  
26 Conditions and Section 00 73 00, Special Provisions, in the amount of **\$200** per calendar day if Contractor  
27 fails to complete the Work within the Contract Time. The provision for liquidated damages in the Contract  
28 Documents shall not act as a limitation upon District if Contractor abandons the Work. In such event,  
29 Contractor shall be liable to District for all losses incurred.  
30

31 Section 11 - PERFORMANCE AND PAYMENT BONDS.

32 Contractor, before beginning the Work, shall file a Performance Bond and a Payment Bond with District,  
33 each made payable to District. These bonds shall be issued by a surety company authorized to do business  
34 in the State of California and shall be maintained during the entire life of the Contract at the expense of  
35 Contractor. Each bond shall be in the amount of one hundred percent (100%) of the Contract. The  
36 Performance Bond shall guarantee the faithful performance of the Contract. The Payment Bond shall be  
37 in accordance with the requirements of Part 6, Title 3, Chapter 5 of the California Civil Code, commencing  
38 with section 9550. Any alteration or alterations made in any provision of the Contract shall not operate to  
39 release any surety from any liability on any bond required hereunder and the consent to make such  
40 alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of  
41 the Civil Code.  
42

43 Section 12 - UNFAIR COMPETITION.

44 The following provision is included in this Agreement pursuant to California Public Contract Code section  
45 7103.5.  
46

47 "In entering into a public works contract or subcontract to supply goods, services, or materials pursuant to  
48 a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body  
49 all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15  
50 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700 of Part 2 of Division  
51 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to  
52 the public works contract or subcontract. This assignment shall be made and become effective at the  
53 time the awarding body tenders final payment to the contractor, without further acknowledgment by the  
54 parties."  
55

1 Section 13 - ASSIGNMENT.

2 Neither this Agreement nor any rights herein of Contractor shall be assigned without the written consent of  
3 District first obtained.

4  
5 Section 14 - NO THIRD PARTY BENEFICIARIES.

6 This Agreement is entered into solely between District and Contractor. There are no third-party  
7 beneficiaries, intended, unintended, or otherwise to this Agreement.

8  
9 Section 15 - AGREEMENT BINDING.

10 This Agreement shall bind and insure to the heirs, devisees, assignees and successors in interest of  
11 Contractor and to the successors in interest of District in the same manner as if such parties had been  
12 expressly named herein.

13  
14 Section 16 - AGREEMENT CONTROLS.

15 In the event of a conflict between the terms and conditions set forth in this Agreement and the terms and  
16 conditions set forth in the other Contract Documents, the terms and conditions set forth in this Agreement  
17 shall prevail.

18  
19 Section 17 - GOVERNING LAW.

20 This Agreement will be governed by and construed in accordance with the laws of the State of California.

21  
22 IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above  
23 written.

24  
25 **Contractors are required by law to be licensed and regulated by the Contractor's State License Board,**  
26 **which has jurisdiction to investigate complaints against contractors if a complaint is filed within three years**  
27 **of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar,**  
28 **Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.**

30 District: Fair Oaks Recreation and Park District

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32  
33 By: \_\_\_\_\_  
34 Mike Aho

35  
36 Its: District Administrator

37  
38 Contract Amount: \$134,700.00

39  
40 Board Approval Date: July 28, 2021

41  
42 (Corporate Seal)

43 Contractor: PARC Specialty Contractors, Inc.

44 By/Title: \_\_\_\_\_

45  
46  
47 Signature: \_\_\_\_\_

48 Business Address: \_\_\_\_\_

49 License Number: \_\_\_\_\_

50 Contractor DIR Registration #: \_\_\_\_\_

51 Federal I.D. #: \_\_\_\_\_

1 CORPORATE CERTIFICATE  
2

3 I, \_\_\_\_\_, certify that I am the Secretary of the corporation named as Contractor in the  
4 foregoing contract; that \_\_\_\_\_, who signed said contract on behalf of said corporation is  
5 authorized to fully bind the corporation to this Agreement; that said contract was duly signed for and on  
6 behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.  
7

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9  
10 (Corporate Seal)

\_\_\_\_\_  
Secretary

11

**Section 00 61 13.13 – PAYMENT BOND FORM**

Bond No. \_\_\_\_\_

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, FAIR OAKS RECREATION AND PARK DISTRICT (the "District") has awarded to **PARC Specialty Contractors, Inc.** as Principal a contract dated the **29<sup>th</sup> day of July 2021**, for the furnishing if all labor, materials, equipment, transportation and services for the construction of **Village Park Hazardous Material Abatement and Demolition Project, BP#21-102** located in Sacramento County, California (hereinafter referred to as the "Contract");

AND WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;

NOW THEREFORE, we the undersigned Principal and \_\_\_\_\_ as Surety, are held and firmly bound unto the District in the sum of **One hundred thirty-four thousand Seven hundred DOLLARS (\$134,700.00)** for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

1. THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its heirs, executors, administrators, successors, or assigns approved by the District or its Subcontractors shall fail to pay any of the persons named in State of California Civil Code Section 9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall become and be null and void.

2. This Bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under California law, including but not limited to the persons named in State of California Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

3. Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder. Surety further waives the provisions of Section 2845 of the State of California Civil Code.

4. Amounts owed by the District to Principal under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under the Performance Bond. By Principal furnishing and the District accepting this Payment Bond, they agree that all funds earned by Principal in the performance of the Contract are dedicated to satisfy obligations of Principal and Surety under this Bond, subject to the District's priority to use the funds for the completion of the Work or the satisfaction of the District's claims, including liquidated damages, under the Contract.

5. Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with the Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or against

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any one or more of them, or against less than all of them without impairing the District rights against the other.

6. In the event suit is brought upon this bond, the parties not prevailing in such suit shall pay reasonable attorneys' fees and costs incurred by the prevailing parties in such suit.

7. Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Principal: \_\_\_\_\_  
(Name of Firm)

Surety: \_\_\_\_\_  
(Name of Firm)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone # \_\_\_\_\_

Fax # \_\_\_\_\_

Note: Notary Acknowledgement for Surety and Surety's Power of Attorney must be attached

Address for Owner Notices:  
FAIR OAKS RECREATION AND PARK DISTRICT  
Attn: Mike Aho  
4150 Temescal Street, Fair Oaks, CA 95628

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**Section 00 61 13.16 - PERFORMANCE BOND FORM**

Bond No. \_\_\_\_\_

**KNOW ALL PERSONS BY THESE PRESENTS:**

WHEREAS, FAIR OAKS RECREATION AND PARK DISTRICT hereinafter referred to as "District" and **PARC Specialty Contractors, Inc.** (hereinafter referred to as "Contractor"), have entered into a written contract for furnishing of all labor, materials, equipment, transportation and services for the construction of **Village Park Hazardous Material Abatement and Demolition Project, BP#21-102** located in Sacramento County, California (hereinafter referred to as the "Construction Contract"); and

WHEREAS, Contractor is required by the terms of the Construction Contract dated **29<sup>th</sup> day of July 2021**, to furnish a bond for the faithful performance of all terms and conditions of the Construction Contract;

NOW, THEREFORE, Contractor, as principal, and \_\_\_\_\_ (hereinafter referred to as "Surety"), as Surety, are held and firmly bound unto District and Claimants, as defined herein, in the penal sum of **One hundred thirty-four thousand Seven hundred DOLLARS (\$134,700.00)**, lawful money of the United States, for the payment of which sum well and truly to be made as provided in this Performance Bond.

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to District for the performance of the Construction Contract, which is incorporated herein by reference.
2. If Contractor timely performs each and every obligation under the Construction Contract, including all Guarantee and/or warranty obligations, Surety and Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.
3. Surety's obligation under this Performance Bond shall arise after:
  - 3.1 District has declared a Contractor Default and has notified Contractor and Surety at its address described in Paragraph 10 below that District has declared a Contractor Default and has requested and attempted to arrange a conference with Contractor and Surety to be held not later than seven days after receipt of such notice to discuss methods of performing all remaining obligations of Contractor pursuant to the Construction Contract; and
  - 3.2 District has agreed to pay any remaining Balance of the Agreement Price, as calculated under the terms of the Construction Contract, to Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the Construction Contract with District.
4. When District has satisfied the conditions of Paragraph 3, Surety shall promptly and at Surety's expense take one of the following actions:
  - 4.1 Arrange for Contractor, with consent of District, to perform and complete the Construction Contract; or
  - 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or
  - 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to District for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by District and the contractor selected with District's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to District the

1 amount of damages as described in Paragraph 6 in excess of the Balance of the Agreement  
2 Price, as calculated under the terms of the Construction Contract, incurred by District  
3 resulting from Contractor's Default; or

4 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new Contractor  
5 and with reasonable promptness under the circumstances:

6 .1 After investigation, determine the amount for which it may be liable to District and, as  
7 soon as practicable after the amount is determined, tender payment thereof to  
8 District; or

9 .2 Deny liability in whole or in part and notify District citing specific reasons therefore.

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11 5. If Surety does not proceed as provided in Paragraph 4 within twenty days from receipt of the notice  
12 described in paragraph 3.1 (whether or not a conference has been held pursuant to  
13 paragraph 3.1), or such longer period upon which District and Surety may agree in writing, Surety  
14 shall be deemed to be in default on this Bond. If Surety proceeds as provided in Subparagraph 4.4,  
15 and District refuses the payment tendered or Surety has denied liability, in whole or in part, without  
16 further notice District shall be entitled to enforce any remedy available to District.

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18 6. After District has declared a Contractor Default, and if Surety elects to act under Subparagraph 4.1,  
19 4.2, or 4.3 above, then the responsibilities of Surety to District shall not be greater than those of  
20 Contractor under the Construction Contract, and the responsibilities of District to Surety shall not be  
21 greater than those of the District under the Construction Contract. To the limit of the amount of this  
22 Performance Bond, but subject to commitment by District of any remaining Balance of the  
23 Agreement Price to mitigation of costs and damages on the Construction Contract, Surety is  
24 obligated without duplication for:

25  
26 6.1 The responsibilities of Contractor for correction of defective Work, materials and equipment  
27 and completion of the Construction Contract, including all Guarantee and warranty  
28 obligations;

29 6.2 Additional legal, design professional, construction management and delay costs resulting  
30 from the Contractor's Default, and resulting from the actions or failure to act of Surety under  
31 Paragraph 4; and

32 6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract,  
33 actual damages caused by delayed performance or non-performance of Contractor.

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35 7. Surety shall not be liable to District or others for obligations of Contractor that are unrelated to the  
36 Construction Contract, and the Balance of the Agreement Price shall not be reduced or set off on  
37 account of any such unrelated obligations. No right of action shall accrue on this Bond to any person  
38 or entity other than District or its heirs, executors, administrators or successors.

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40 8. Surety, for value received, hereby expressly agrees that no extension of time, change, modification,  
41 alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the  
42 Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this  
43 bond; and it does hereby waive notice of any such extension of time, change, modification,  
44 alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the  
45 Contract, or to the work to be performed thereunder. Surety further waives the provisions of Section  
46 2845 of the State of California Civil Code.

47 9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent  
48 jurisdiction. The prevailing party in any such action shall be entitled to recover its attorneys' fees, to  
49 be taxed as an item of costs.

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51 10. Notice to Surety, District or Contractor shall be mailed or delivered to the address, or sent via  
52 telecopier to the facsimile number, shown on the signature page.

1 11. DEFINITIONS  
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- 3 11.1 Balance of the Agreement Price: The total amount payable by District to Contractor under  
4 the Construction Contract after all proper adjustments have been made, including  
5 allowance to Contractor of any amounts received or to be received by District in settlement  
6 of insurance or other claims for damages to which Contractor is entitled, reduced by all valid  
7 and proper payments made to or on behalf of Contractor under the Construction Contract.  
8 11.2 Construction Contract: The agreement between the District and the Contractor identified  
9 on the first page of this bond, including all Contract Documents and changes thereto.  
10 11.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived,  
11 to perform or otherwise to comply with the terms of the Construction Contract.  
12

13 CONTRACTOR, as Principal

SURETY

14  
15  
16 By: \_\_\_\_\_

By: \_\_\_\_\_

17  
18 Its: \_\_\_\_\_

Its: \_\_\_\_\_

19  
20 Address: \_\_\_\_\_

Address: \_\_\_\_\_

21  
22 Phone #: \_\_\_\_\_

Phone #: \_\_\_\_\_

23  
24 Fax #: \_\_\_\_\_

Fax #: \_\_\_\_\_

25  
26 Note: Notary Acknowledgement for Surety and  
27 Surety's Power of Attorney must be attached  
28

Address for Owner Notices:  
FAIR OAKS RECREATION AND PARK DISTRICT  
Attn: Mike Aho  
4150 Temescal Street, Fair Oaks, CA 95628

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