

Memo

Carmichael



RECREATION AND
PARK DISTRICT

To: Advisory Board of Directors

From: Stacey Yankee, District Administrator
James Perry, Park Services Manager

Date: July 16, 2026

Subject: Request to Approve an Increase to the Budget for the Cardinal Oaks Park Improvement Project

Background/Discussion:

The Cardinal Oaks Park Improvement Project consists of demolition, grading and prep for installation of a play structure, installation of a parking lot and lighting, landscaping, and construction of a walkway at Cardinal Oaks Park. The parking lot component of the Project includes excavation of existing park space, grading, and installation of a new parking area, allowing for parking that was not previously available to the public. CRPD is utilizing \$325,000 of American Rescue Plan Act of 2021 (ARPA) money to fund the Project, which must be fully expended by December 31, 2026. These ARPA funds account for twenty-seven (27) percent of the approved budget.

The landscape construction of the project was awarded on March 17, 2026 to Xeela Engineering, LLC. Construction bid documents showed the estimated cut and fill required for the entire Project site but did not include information regarding the cut necessary to construct the parking lot. Contract drawings also did not include calculations for estimated cut for the parking lot. Xeela therefore assumed a balanced site condition and did not include the cost of soil removal at the parking lot location in its bid for the Project.

Construction revealed that an estimated 2,206 cubic yards of soil material must be removed from the parking lot location at a cost of \$298,000. This amount includes \$270,000 for excavation, hauling, and disposal of the soil, as well as \$28,000 in re-mobilization costs. These amounts exceed the contingency amount in the Contract. Change Order No. 6 (Attachment 1) provides for payment to excavate, load, haul, and dispose of the soil excavated from the parking lot area, as well as remobilize due to the delay of the project.

District staff, after discussion with County Counsel, feel that there is a sufficient basis for dispensing with competitive bidding in this instance. Competitively bidding the additional

work contemplated in Change Order No. 6 would be costly, undesirable, impractical, or impossible, and would not provide an advantage to the public. The need for this work arose from an omission in the contract documents. Adding this work via Change Order No. 6 will avoid operational inefficiencies and coordination conflicts, which will allow the Project to be completed in time to retain critical ARPA funds.

The additional work is directly related to the existing Project and requires knowledge of the site-specific conditions. A separate bidding process and mobilization of a new contractor for this scope of work would result in significant project delays, duplication of work, and additional costs that would likely exceed any potential savings from an additional competitive process. The costs for this work are based on agreed-upon prices, ensuring a fair and reasonable price.

The attached Resolution authorizes payment of Change Order No. 6, an amount not to exceed \$327,800, which includes a ten (10) percent contingency.

Financial Analysis:

The original maximum total payment was \$1,199,500. The amount requested for this change order is \$327,800, raising the new maximum total payment to \$1,527,300. This Change Order includes the costs for the off haul of the soil, re-mobilization costs, and a contingency for additional costs that may arise. Staff have evaluated the available funds from GO Bond Series 2023, including the interest earned, and have determined that money from these two sources can fund Change Order Number 6. In addition, staff are working with Callander Associates to determine the degree of the architect and/or other's responsibility.

Recommendation:

Staff proposes that the Carmichael Recreation and Park District Advisory Board of Directors approves an amount not to exceed \$327,800 to Xeela Engineering, increasing the overall budget for the Cardinal Oaks Park Improvement Project to \$1,527,300, and delegate the authority to the District Administrator, or designee, to submit Change Order 6 and the appropriate resolution to the County Board of Supervisors for final approval; along with executing payments for costs associated with Change Order Number 6.

COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
August 11, 2026

To: Board of Directors

Through: David Villanueva, County Executive

Dave Defanti, Deputy County Executive, Community Services

Liz Bellas, Director of Regional Parks.

From: Stacey Yankee, District Administrator,
Carmichael Recreation and Park District (CRPD)

Subject: Approve Change Order 6 For 2022 General Obligation Bond Series 2023 Measure G Bond Cardinal Oaks Park Improvement Project

District(s): Desmond

RECOMMENDED ACTION

Adopt the attached Resolution to Approve Change Order No. 6 for the Carmichael Recreation and Park District Cardinal Oaks Park Improvement Project, an amount not to exceed \$327,800 for work not specified in the original contract documents.

BACKGROUND

The Cardinal Oaks Park Improvement Project (the "Project") consists of demolition, grading and prep for installation of a play structure, installation of a parking lot and lighting, landscaping, and construction of a walkway at Cardinal Oaks Park. The parking lot component of the Project includes excavation of existing park space, grading, and installation of a new parking area, allowing for parking that was not previously available to the public. The

Approve Change Order 6 For 2022 General Obligation Bond Series 2023 Measure G Bond Cardinal Oaks Park Improvement Project

Carmichael Recreation and Park District ("District") is utilizing \$325,000 of American Rescue Plan Act of 2021 (ARPA) money to fund the Project, which must be fully expended by December 31, 2026. These ARPA funds account for twenty-seven (27) percent of the approved budget.

The Project was awarded on March 17, 2026 to Xeela Engineering, LLC ("Contractor"). Contract time began on April 30, 2026. The Project is expected to be completed on October 23, 2026. If the Project is not completed before this date, the District will likely lose the ARPA funding and will not be able to complete the Project.

Construction bid documents showed the estimated cut and fill required for the entire Project site but did not include information regarding the cut necessary to construct the parking lot. Contract drawings also did not include calculations for estimated cut for the parking lot. The Contractor therefore assumed a balanced site condition and did not include the cost of soil removal at the parking lot location in its bid for the Project.

Construction revealed that an estimated 2,206 cubic yards of soil material must be removed from the parking lot location. The Contractor submitted an estimate to the District of \$298,000 to offload this soil from the site. This amount includes \$270,000 for excavation, hauling, and disposal of the soil, as well as \$28,000 in re-mobilization costs. These amounts exceed the contingency amount in the Contract.

Change Order No. 6 (Attachment 1) provides for payment to excavate, load, haul, and dispose of the soil excavated from the parking lot area, as well as remobilize due to the delay of the project. Pursuant to Public Contract Code (PCC) section 20142, the delegated limit per change order for this Contract is \$84,975, which represents \$25,000 plus five (5) percent of the original contract. Because Change Order No. 6 exceeds the delegated limit, the Board may authorize the Contractor to proceed with the change and forego competitive bidding by a two-thirds vote of the Board and consent of the Contractor.

The Contractor agrees to perform the additional work for the agreed-upon price.

District staff have determined, and County Counsel concurs, that there is a sufficient basis for dispensing with competitive bidding in this instance. Competitively bidding the additional work contemplated in Change Order No.

Approve Change Order 6 For 2022 General Obligation Bond Series 2023 Measure G Bond Cardinal Oaks Park Improvement Project

6 would be costly, undesirable, impractical, or impossible, and would not provide an advantage to the public. The need for this work arose from an omission in the contract documents.¹ Adding this work via Change Order No. 6 will avoid operational inefficiencies and coordination conflicts, which will allow the Project to be completed in time to retain critical ARPA funds. The additional work is directly related to the existing Project and requires knowledge of the site-specific conditions. A separate bidding process and mobilization of a new contractor for this scope of work would result in significant project delays, duplication of work, and additional costs that would likely exceed any potential savings from an additional competitive process. The costs for this work are based on agreed-upon prices, ensuring a fair and reasonable price.

The attached Resolution authorizes payment of Change Order No. 6, an amount not to exceed \$327,800, which includes a ten (10) percent contingency.

FINANCIAL ANALYSIS	Dollar Amount	Percent of Original Contract Price
Original Maximum Total Payment	\$1,199,500	100 %
Change Order No. 6 Payment	\$327,800	27.33%
New Maximum Total Payment	\$1,527,300	

Attachments:

RES – Resolution to Approve Change Order No. 6

ATT 1 – Change Order No. 6 and Justification

¹ The District is engaged in discussions with Callender, the Project Architect, to determine the degree of the Architect's responsibility for the omission of cut-and-fill data at the parking lot location in the contract documents. As appropriate, the District will seek reimbursement from Callender and all other responsible parties for any and all costs the District incurs as a result of Callender's or other's errors.

RESOLUTION NO. 2026-
RESOLUTION TO APPROVE CHANGE ORDER NO. 6 FOR THE
CARMICHAEL RECREATION AND PARK DISTRICT
CARDINAL OAKS PARK IMPROVEMENT PROJECT
(CONTRACT NO. 26-0403)

WHEREAS, the Carmichael Recreation and Park District (“District”) contracted with Xeela Engineering, LLC (“Contractor”) for removal and installation of playground equipment and surfacing, and installation of a new parking lot, at Cardinal Oaks Park; and

WHEREAS, during construction, the Contractor determined and the District agreed that in order to install a new parking lot in compliance with the contract documents, an estimated 2,206 cubic yards of material must be removed from the parking lot site; and

WHEREAS, construction bid documents for the Project showed the estimated cut and fill required for the entire Project site, but did not include information regarding the cut necessary to construct the parking lot; and

WHEREAS, the Contractor’s original estimated bid was insufficient to remove material from the parking lot site, and therefore to install the new parking lot; and

WHEREAS, pursuant to Public Contract Code (PCC) section 20142, the current delegated change order limit is \$84,975 for this Contract; and

WHEREAS, the work required in Change Order No. 6 will result in additional costs not to exceed \$327,800 (27.33 percent of the original Contract price); and

WHEREAS, pursuant to PCC section 20136, the Board may approve a change order that exceeds the delegated change order limit by order adopted by a vote of two-thirds of the Board and the consent of Contractor; and

WHEREAS, Contractor agrees to perform the additional work at the agreed upon price; and

WHEREAS, the Board has determined that Change Order No. 6 is necessary and promotes the public interest when competitive bidding would be impracticable, infeasible, or otherwise unavailing and would not provide an advantage to the public.

NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors, County of Sacramento, a political subdivision of the State of California, hereby finds that approval of Change Order No. 6 would promote the public interest in lieu of competitively bidding said work, which would not produce an advantage and would be undesirable, impractical, and or impossible.

BE IT FURTHER RESOLVED that the Board hereby approves Change Order No. 6 and authorizes payment in an amount not to exceed \$327,800 (27.33 percent of the original Contract price).



FINAL REVISED CHANGE ORDER PROPOSAL No.6

Off-Haul and Disposal of Excess Excavated Material

Cardinal Oaks Park Renovations

Contract No. 25-0826-05

Prepared For:

Carmichael Recreation & Park District
Cummings Group, Callander Associates

Prepared By:

Xeela Engineering LLC
5533 Hemlock Street
Sacramento, CA 95841
CA Contractor License No. 1119468
Tim Puris
916-607-1359
info@xeelaengineering.com

Date: July 9, 2026

Executive Summary

Xeela Engineering LLC respectfully submits this Final Revised Change Order Proposal for the off-haul and disposal of excess excavated material generated during the Cardinal Oaks Park Renovations Project.

The original proposal was developed using the grading plans, available earthwork calculations, and field information available at the time. It was intended to provide the District with a reasonable budgetary estimate while the parking lot excavation and required over-excavation were still in progress.

Since that time, the contract-required excavation has been completed, the parking lot has been brought to design subgrade, and the excavated material has been stockpiled. The resulting stockpile has been measured in the field and supported by engineering calculations establishing an estimated export quantity of approximately 2,206 cubic yards of dirt.

This proposal represents Xeela Engineering's final pricing based upon the verified quantity and the actual work required to complete the off-haul operation.

Project Background

The original grading plan anticipated a substantially balanced earthwork operation.

As excavation progressed, the required parking lot over-excavation and final grading resulted in a greater quantity of excess material than originally estimated in the project documents.

Rather than continually revising pricing while excavation remained ongoing, Xeela Engineering completed the required excavation, established the stockpile, completed the parking lot grading operations, and allowed the quantity to be determined after completion of the work.

This approach provides a more accurate basis for determining the final quantity requiring export.

Basis for Revised Pricing

The original proposal assumed excavation and export based upon preliminary quantities available at the time.

The completed work ultimately required:

- Excavation of approximately 2,206 CY
- Internal transport and construction of a temporary stockpile

- Stockpile management during continued site operations
- Final loading of the completed stockpile into haul trucks following Owner authorization
- Hauling and transportation
- Disposal of excess excavated material

Accordingly, the revised proposal reflects both the verified quantity and the actual sequence of work required to complete the export operation.

Scope of Work Included

This proposal includes all labor, supervision, equipment, fuel, maintenance, traffic coordination, dust control, street sweeping, overhead, profit and incidental work necessary to complete:

- Excavation
- Stockpile management
- Final loading operations
- Truck hauling
- Disposal
- Project supervision
- Equipment mobilization
- Compliance with applicable permit requirements

Cost Proposal

Description	Amount
Excavation, Stockpile Management & Final Loading	\$121,330.00
Hauling & Transportation	\$125,000.00
Disposal Fees	\$22,060.00
Subtotal	\$268,390.00
Performance Bond Premium (3%)	\$8,051.70
Calculated Proposal Value	\$276,441.70

Contractor Concession

Although the calculated value of the revised proposal, including the applicable 3% performance bond premium, is \$276,441.70, Xeela Engineering LLC is willing to accept a lump-sum amount of \$270,000.00 as full compensation for the work described herein.

This concession is offered in good faith to facilitate timely Board approval, minimize further administrative effort, and allow the project to move forward as efficiently as possible.

Potential Schedule Delay

This proposal assumes authorization to proceed in accordance with the current anticipated schedule.

Should Owner authorization delay commencement of the off-haul operation until approximately August 20–26, 2026, Xeela Engineering LLC reserves the right to request an additional \$28,000.00 change order to recover remobilization and extended project costs associated with the delayed start.

These costs include:

- Remobilization of equipment and personnel
- Extended project management and superintendent costs
- Temporary construction fencing
- Additional insurance and bond costs
- Project administration and coordination
- Equipment startup and mobilization

Conclusion

Xeela Engineering appreciates the continued collaboration of Carmichael Recreation & Park District Callander Associates and the Cummings Group throughout this process.

This proposal represents Xeela Engineering's final pricing based upon the completed excavation, verified quantity of material, and actual work required to complete the off-haul operation.

Xeela Engineering LLC appreciates the opportunity to work with Carmichael Recreation & Park District and Callander Associates throughout this project. This proposal represents our final cost proposal based on the completed excavation, verified quantities, and the actual work required to complete the off-haul operation. We respectfully request the District's consideration and approval so the work may proceed in a timely manner and the project can continue toward successful completion.

Sincerely,

Tim Puris
Xeela Engineering LLC

Timothy Puris 07/09/2026