



## OFFICE OF STRATEGIC PLANNING AND COMMUNITY DEVELOPMENT

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Deborah A. Burke  
Director

July 13, 2023

Malden Community Preservation Committee  
Malden City Hall  
215 Pleasant Street  
Malden, MA  
By email to [maldencpc@cityofmalden.org](mailto:maldencpc@cityofmalden.org)

RE: Early Learning Center Playground Project Update and Supplemental Funding Request

Dear Members of the Malden Community Preservation Committee,

I write to provide an update on the Early Learning Center Playground Project (“the Project”), which has been funded using a combination of Community Preservation Act (CPA) and Community Development Block Grant (CDBG) funds. The Project will include a new playground, a tree barrier between the playground and the parking lot, improved public access along Mt. Vernon Street, and safety and accessibility improvements in the parking lot and pick up/drop off area. The Project design was developed following three community meetings and led by an eight-member steering committee. A concept drawing dated January 11, 2023 is shown below.



We received Council approval of the CPC’s funding recommendation in March, and went out to bid in April. Our plan had been to hire one contractor to construct the parking-related improvements over the summer before the school year began, and to finish the playground improvements before winter. When we received construction bids in May, we were dismayed to see the costs come in significantly higher than we anticipated – by about 25% to 30%. Because of this, we were unable to accept any of the bids.

We did a careful postmortem analysis on our previous cost estimate, and identified key cost drivers that led to such a significant variance. First, due to inflation, equipment and material suppliers are no longer guaranteeing prices for more than a few weeks. Contractors are building in more of a cushion into their pricing to account for the likelihood that the cost of play equipment and materials will increase significantly between placing their bids and purchasing products if they are awarded a contract. Second, manufacturers are now recommending that contractors assume play equipment installation costs will be 50-55% of the cost of the equipment itself, up from 40% this spring. Third, the unit price of rubber surfacing, fencing, and asphalt have also increased significantly since the Project budget was set. Lastly, many contractors had already lined up their work for the summer and fall by the time our funding was approved, and were less inclined to compete for the Project as a result. There are other factors that led to the significant cost increase, but these were the most significant we identified during our review.

Despite the unfortunate bid results, we have been able to make good use of the summer construction season. Working with the Engineering Department, we were able to begin work on the first part of the Project – the parking-related improvements – by using an on-call contractor who does road improvement work. That work, which will be paid for using the Project’s CDBG funds and not its CPA funds, started this month and is on track to be completed before school starts in August. By completing the parking-related changes now, we avoid future cost escalation associated with this piece of the Project, reduce possible disruption to the school, and get one step closer to playground construction.

We are committed to seeing the playground improvements through, but design changes will be necessary to reduce costs and put us back on budget. We currently estimate our budget gap to be around \$400,000, with multiple variables including inflation, manufacturer pricing, and contractor mobilization still at play. To close this gap, we will need to both reduce project scope and increase project funding.

With this in mind, we are requesting \$200,000 in CPA funding to help close this gap. We will also seek \$100,000 in CDBG funds. Changes to project scope would then account for the remaining approximate \$100,000 gap.

We understand and deeply appreciate the commitment the CPC has already made to this Project, which has received \$550,000 in CPA funds. This funding request is not made lightly, and we acknowledge that the CPC’s budget, like the CDBG budget and other funding sources, is tightening as ARPA resources dwindle and costs continue to rise. Nevertheless we felt it prudent to submit this request to the CPC to allow you, our funding partner, to help us respond to this challenge. If the CPC feels it cannot commit an additional \$200,000 to this Project, a lesser amount would also help close the gap and reduce changes to project scope. Independent of the CPC’s decision to provide supplemental funding, we will need a change in scope to accommodate the value engineering that will be conducted this fall to bring us back on budget.

Our plan going forward is to secure additional funding, if any, through the CPC and CDBG by August so we can begin redesigning the playground. OSPCD staff and the project steering committee will work together with the community throughout this process to make sure the most crucial elements of the design are preserved. We will hold a community meeting during this redesign process to update the community on these changes.

Once the playground design is updated and on budget, we can put the playground out to bid. After speaking with Malden Public Schools leadership, and with the intent to reduce disruption as much as possible, we're currently aiming for playground construction in summer 2024. It's important that we bid this Project as soon as possible to reduce the risk of further cost escalations. Therefore, we are asking that a decision be made on our request no later than August. Community meetings and redesign will follow, and the Project will be bid as soon as a redesign is settled.

On behalf of the project steering committee, I want to thank you for your past support for this project and your willingness to consider this request. I know that together we will build a terrific playground that brings connection and delight to Malden children and families.

Sincerely,

A handwritten signature in cursive script that reads "A. Pratt".

Alex Pratt  
Deputy Director, Housing and Community Development  
Office of Strategic Planning and Community Development