

Lompoc City Council Agenda Item

City Council Meeting Date: August 17, 2010

TO: Laurel M. Barcelona, City Administrator

**FROM: Michael W. Luther, P.E., Senior Civil Engineer
m_luther@ci.lompoc.ca.us**

**SUBJECT: AWARD OF PROJECT NO. FY-08-P-2 –
RICHARD L. DEWEES SENIOR COMMUNITY CENTER
1120 WEST OCEAN AVENUE**



RECOMMENDATION:

Staff recommends the City Council take the following actions:

1. Adopt the Plans and Specifications for Project No. FY-08-P-2, as required by Section 22039 of the Public Contract Code. Copies of plans and specifications are on file in the City Engineer's Office.
2. Award the Construction Contract in the amount of \$3,591,911.00 to AWI Builders, Vernon, CA, and authorize the Mayor to execute the necessary agreements for this Contract.
3. Authorize the City Engineer to approve Construction Contract Change Orders in an amount not to exceed \$574,000.00.
4. Award the Construction Management Contract in the amount of \$224,500.00 to Harris & Associates, and authorize the Mayor to execute the necessary agreements for this Contract.
5. Authorize the City Engineer to approve Construction Management Contract Change Orders in an amount not to exceed \$34,000.00.
6. Adopt "Dick DeWees Senior Community Center" as the official name of the new senior community center.
7. Revise the allocation of Community Development Block Grant (CDBG) funding for the new senior community center to \$1,034,942.

BACKGROUND:

On May 2, 2006, the Lompoc City Council approved a property exchange between the Lompoc Healthcare District and the City of Lompoc, which would result in the relocation of the Lompoc Valley Community Center. At that time, the City Administrator directed the Parks, Recreation, & Urban Forestry Director (P&R Director) to act as Project Manager and find a suitable replacement facility. On August 5, 2008, the City Administrator asked Council for authority to execute a Lease and Option to Purchase Agreements for 1110 West Ocean Avenue and 1120 West Ocean Avenue for use as the future Lompoc Valley Senior Community Center. The P&R Director then directed KBZ Architects to work with the Ad Hoc Committee to prepare a building retrofit design at that location and to expedite project delivery to minimize the impact on the facility users.

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DISCUSSION:

City Project No. FY-08-P-2 (Project) consists of converting a 15,000 s.f. empty retail space located at 1120 West Ocean Avenue into a senior community center (Center). Site improvements include new parking, hardscape, landscape and outdoor activity areas. Building shell improvements include re-roofing with new insulation, skylights, new window and door openings to the east with new canopies, storefront replacement, removal of the existing front canopy, and the addition of miscellaneous trellises and enclosures. Interior improvements include demolition of existing interior walls and construction of new ceiling, partition walls, restrooms, commercial kitchen, fire sprinklers, and construction of various spaces such as dining rooms, classrooms, and offices. An environmental review has been conducted and the proposed Project has an adopted Mitigated Negative Declaration pursuant to the provisions of the California Environmental Quality Act (CEQA), and a Finding of No Significant Impact under the National Environmental Policy Act (NEPA).

At the April 20, 2010, City Council meeting, Council directed staff to solicit bids for the construction of the Project. The Public Works Engineering Division took over the project management and advertised the Project for bids on May 28, 2010. The Project was noticed, advertised and bid in accordance with the procedures of the Uniform Public Construction Cost Accounting Act (Public Contract Code Sections 22000-22045). The Uniform Public Construction Cost Accounting Act has been incorporated as a part of the City of Lompoc Purchasing and Public Project Procedures (Title 3, of the Lompoc Municipal Code).

The Office of the City Clerk was available to receive bids for this Project until 2:00 p.m., Thursday, July 8, 2010, at which time six (6) bids were publicly opened and read. The bids received ranged from \$3,591,911.00 to \$4,258,000.00 (See attached Bidders List). The architect's construction cost estimate for the bid was \$4,368,576.00.

Upon determining the lowest responsive bid, in accordance with the requirements of the solicitation, the Engineering Division issued a Notice of Intent to Award on July 16, 2010, in accordance with Title 3 of the City Code. On July 20, 2010, a bid protest was received from the second low bidder. The protest claimed violations of Public Contract Code Section 4100, "Subletting and Subcontracting Fair Practices Act." After a thorough review by the Public Works Director, City Attorney, and staff of the material issues contained in the protest, the Public Works Director determined the protest was without merit. On July 27, 2010, a formal determination denying the protest was issued in accordance with City of Lompoc Municipal Code Section 3.36.170, Procurement Protest Procedures. The protester was advised of their right to appeal the decision of the procurement staff to an Administrative Hearing Officer within seven (7) days of the formal determination. No further action was taken by the protester.

CONSTRUCTION MANAGEMENT:

On November 2, 2009, the Engineering Division advertised a Request for Proposals (RFP) for the Constructability Review, Construction Management and Inspection Services for the Project. Inspection Services, as referred to here and in the RFP, is to ensure the Project is built according to the approved plans and for the review of materials to be incorporated into the Project to ensure they meet the requirements of the Project plans and specifications, and is not meant to supplement or replace inspections that are required to meet Building Code requirements. The City received seven (7) proposals by the November 19, 2009, submittal deadline. The proposals were scored on the criteria outlined in the RFP, and the two (2) highest ranked firms were interviewed on December 9, 2009. Harris & Associates (Harris) was selected as the preferred firm based on those interviews.

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In order to proceed with the Project Constructability Review immediately and not delay the plan check process, a purchase order was issued to Harris for \$19,430.00 to complete the Constructability Services portion of their proposal only, but Engineering chose to wait to award the bulk of their proposal for Construction Management and Inspection Services (CM) until the design was complete. Harris' original proposal for CM services for \$186,815 was based on an assumed CM schedule of ten months, the time specified in the construction contract for the Project. Engineering has asked Harris to revise their proposal to account for pre-notice to proceed submittals and contract close-out tasks that go beyond the ten-month construction schedule. The revised proposal is for the Not-to-Exceed-Fee of \$224,500. Payment to Harris will be for actual time and materials expended in furnishing authorized CM professional services only.

FISCAL IMPACT:

The Project will be funded with CDBG funds and a portion of the revenue generated by Redevelopment Agency (RDA) Tax Allocation bonds. CDBG funds of up to \$1,500,000 have been authorized for the construction portion of the Project. RDA bond proceeds of \$7,448,289 were received on June 29, 2010. Of the total bond proceeds received, the April 20, 2010, staff report identified an estimated \$6,542,443 needed for the construction of the two projects (the Center and the Aquatic Center Dehumidification System), leaving an excess remainder of approximately \$900,000 of bond proceeds for these or other projects.

CDBG funds for the Center are made up of two components: \$1,034,942 from the reimbursement of CDBG's investment in the original Lompoc Valley Community Center and an additional commitment of \$465,058 approved at the April 20, 2010, City Council meeting. CDBG funding is much more flexible in the use of its funds (such as being eligible for use of operational costs of programs such as the code enforcement effort).

The staff report of April 20, 2010 also identified the following general components (in part) of the Center/Project costs:

Estimated construction:	\$4,368,576
Estimated construction related activity:	468,562
Estimated contingencies:	<u>611,610</u>
Total estimated costs for these components:	<u>\$5,448,748</u>

The Project costs identified in this staff report for approval are as follows:

Construction award:	\$3,591,911
Construction management:	224,500
Contingency (Construction):	574,000
Contingency (CM):	<u>34,000</u>
Total contract awards for construction:	<u>\$4,424,411</u>

At the April 20, 2010, City Council meeting, staff presented a cost estimate for the Center Project of \$7,675,634. With the award of the contracts in this staff report, the revised overall Center Project cost estimate is \$6,932,868.

In the 2007-2009 approved budget, preliminary appropriation amounts were included in the RDA's capital improvement program for the Center. Funds have been carried over from this time in

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anticipation of the Project going forward. The remaining appropriations in the RDA as of June 30, 2010, for the construction portion of this Project are approximately \$3,829,000. Between these appropriations and the CDBG approved funds, there exists more than adequate appropriations for the Project. Due to the favorable nature of the recommended bid, Community Development staff recommends reducing the CDBG commitment to \$1,034,942, the original investment in the original Lompoc Valley Community Center. The sum of the remaining RDA appropriations (\$3,829,000) and the revised CDBG commitment (\$1,034,942) is in excess of the contract awards being requested tonight by approximately \$440,000. Those surplus expenditures can not be spent without further Agency and City authorizations. At the completion of the Project, all unexpended funds (including anticipated contingency funds) will be released for use on other eligible and approved projects rather than releasing a projected amount now and actual amounts at the completion of the Project.

FACILITY NAME:

At the October 6, 2009, City Council meeting, the Council voted unanimously to name the Center after the late Mayor Richard L. DeWees. Since that time, the City Administrator has received a request from Jane DeWees for the center to be named the “Dick DeWees Senior Community Center,” since everyone knew the late Mayor as Dick, not Richard.

Michael W. Luther, P.E.
Senior Civil Engineer

Attachment: Bidders List

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Larry A. Bean, P.E.
Public Works Director

Brad Wilkie
Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Laurel M. Barcelona
City Administrator

BIDDERS LIST

RICHARD L. DEWEES SENIOR COMMUNITY CENTER PROJECT PROJECT NO. FY-08-P-2

BID OPENING: 2:00 p.m., Thursday, July 8, 2010

CONTRACTOR	BASE BID AMOUNT
AWI Builders Inc. 2881 Saco St. Vernon, CA 90058	\$3,591,911.00
Pavilion Construction 6720 SW McAdam Portland, OR 97219	\$3,799,000.00
Vernon Edwards Constructors 900 E. Main Street Suite 103 Santa Maria, CA 93454	\$3,997,512.00
Carroll Building Co. 2653 Victoria Avenue San Luis Obispo, CA 93401	\$4,031,600.00
AMG & Associates 26470 Ruether Avenue Santa Clarita, CA 91350	\$4,037,000.00
Tiffany Group Inc. 19528 Ventura Blvd #359 Tarzana, CA 91356	\$4,258,000.00

Architect's Construction Cost Estimate for the Project As Advertised:
\$4,368,578.00