



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No.** _____

FROM: City Manager

SUBJECT: Bristow Library and Snack Bar Roofing and HVAC Replacement Project, Project No. 2020-02F

MEETING DATE: March 2, 2021

RECOMMENDATION:

It is recommended that the City Council:

1. Reject all bids received for the Bristow Library and Snack Bar Roofing and HVAC Replacement Project; or
2. Adoption of a Resolution approving a construction contract between the City of Commerce and Archico Design Build, Inc., the lowest responsible bidder, for the Bristow Library and Snack Bar Roofing and HVAC Replacement Project, in the amount of \$1,088,000 in substantially the same form as attached, subject to final, technical revisions as required and as approved by the City Attorney and contingent upon appropriation of funds by Measure AA Committee; and
3. Authorize the Mayor to execute the contract agreement in a form approved by the City Attorney; and
4. Appropriate \$1,420,166 from Measure AA Fund Balance, subject to approval from the Measure AA Committee to account number 41-5180-57010.14131 to cover the total project cost.

BACKGROUND:

The City Council authorized staff to release the Notice Inviting Bids on October 20, 2020 and the project was advertised for construction on October 23, 2020. Following the bid advertisement, 7 Addendums were issued in order to answer all of the pre-bid questions. There were 92 prospective bidders that downloaded the bid documents. The following twelve (12) bids were received by the City at the Bid Opening held on January 14, 2021 at 11:00 AM.

ANALYSIS:

The twelve (12) bidders are provided on the table below in ascending order of bid amount. Archico Design Build, Inc. is the lowest, responsible bidder based on the bid analysis.

| Bidder | Bid Amount |
|---|-------------------|
| Archico Design Build, Inc. | \$1,088,000.00 |
| Aid Builders | \$1,109,000.00 |
| Metro Builders & Engineers Group, Ltd. | \$1,157,139.00 |
| NKS Mechanical Contracting, Inc. | \$1,176,632.00 |
| Liberty Climate Control, Inc. | \$1,185,000.00 |
| Bon Air Inc. | \$1,199,200.00 |
| Marjani Builders, Inc. | \$1,255,000.00 |
| TL Veterans Construction, Inc. | \$1,277,250.00 |
| AP Construction Group, Inc. DBA Air Plus | \$1,300,000.00 |
| Scorpio Enterprises dba Aire-Masters Air Conditioning | \$1,319,800.00 |
| Best Contracting Services, Inc. | \$1,544,500.00 |
| FM Thomas Air Conditioning, Inc. | \$1,914,553.00 |

The anticipated construction budget is as follows:

| | |
|--|-----------------------|
| Lowest Bid | \$1,088,000.00 |
| Construction Contingency (10%) | \$108,800.00 |
| <i>Subtotal of Construction Hard Costs</i> | <i>\$1,196,800.00</i> |
| Construction Management, Inspection, Materials Testing | \$119,680.00 |
| <i>Subtotal of Construction Soft Costs</i> | <i>\$119,680.00</i> |
| Total Construction Costs | \$1,316,480.00 |

Staff understands and can provide support for each recommendation (reject or award bid). The condition and age of most of the Bristow Park facility and equipment require major repair or replacement. On the other side of the spectrum, due to the fiscal impact of COVID-19, the City is facing budgetary constraints which impact a substantial amount of available Measure AA funds.

In terms of recommendation one (1), staff is recommending rejection of all bids consistent with the provision of Section A (instruction to bidders) of the bid documents, which states: "The right is reserved to reject any and all bids and waive any irregularity in any bid received." In this regard, pursuant to Public Contracts Code Section 20166 a city has the right and discretion to reject all bids ("In its discretion, the legislative body may reject any bids presented and readvertise."). Based on current projections of COVID's fiscal impacts on future City revenues and operational logistics of the City, staff will reevaluate the project, develop options and alternatives, and return to the City Council at a future meeting. Based on this recommendation, Public Works Staff has been working closely with the Parks and Recreations Director and his staff to understand facility and program needs. It is our belief this project can be deferred and a

larger scale project can be evaluated which will have a greater impact on the residents and the surrounding community.

In terms of recommendations two (2) to four (4), which are collectively related, if City Council wishes to proceed with the project by awarding a contract to the lowest responsible bidder, additional funding in the amount of \$1,420,166 is needed to cover the total project cost, and the respective appropriation would also need to be made. If City Council wishes to approve these recommendations, prior to executing the agreement with Archico Design Build, Inc. staff will present this item to the Measure AA Committee for the appropriation amount for approval to ensure the project funding is in order.

It's important to note, the City received a Letter of Protest for Bid Results on January 29, 2021 from the 4th lowest bidder, NKS Mechanical Contracting, Inc. Staff reviewed and conducted an analysis of the bid protest. The City Attorney reviewed the Letter of Protest and conferred with staff as to their analysis and based on the RFP, RFP requirements, and applicable state law, deemed the findings support the recommendation that Archico Design Build, Inc. is the lowest responsible bidder. The Letter of Protest is included in this agenda report as an attachment.

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

FISCAL IMPACT:

The City Council approved an allocation of \$116,800 in Measure AA funds for the project of which an estimated \$106,000 has been incurred for design, project management, plan checking, bid solicitation publication, bid tabulation, and other miscellaneous expenses leaving approximately \$10,800 available for the project. Should City Council decide to proceed with the award of the project, funds in the amount of \$1,420,166 are required to cover construction contract, construction management and inspection, building permit fees and contingencies, and a respective appropriation would also need to be made. Below is a breakdown of the project cost:

| Project Cost | |
|--|-----------------------|
| Design Cost, Project Management, Plan Check Fees, Publication, and other Miscellaneous Expenses (Incurred) | \$106,000.00 |
| Construction Costs | \$1,196,800.00 |
| Construction Management/Inspection | \$119,680.00 |
| Building Permit Fees | \$8,486.00 |
| TOTAL PROJECT COST | \$1,430,966.00 |

| | |
|---------------------------|-----------------|
| Available Funding | \$10,800.00 |
| Project Funding Shortfall | -\$1,420,166.00 |

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to the 2016 Strategic Plan
Infrastructure and Facilities

Guiding Principle #4: Develop and invest in infrastructure and beautification projects that support economic growth.

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| Recommended by: | Daniel Hernandez, Director of Public Works |
| Fiscal Impact reviewed by: | Josh Brooks, Acting Finance Director |
| Approved as to form: | Noel Tapia, City Attorney |
| Respectfully submitted by: | Edgar P. Cisneros, City Manager |

ATTACHMENT(S):

1. Resolution (Applicable ONLY if City Council approves recommendations 2 – 4.)
2. Bid Analysis
3. Construction Contract Agreement
4. Letter of Protest for Bid Results