



## **CITY OF COMMERCE AGENDA REPORT**

**TO:** Honorable City Council **Item No.** \_\_\_\_\_

**FROM:** City Administrator

**SUBJECT:** AWARD OF CONSTRUCTION CONTRACT AND  
CONSTRUCTION MANAGEMENT SERVICES FOR VETERANS  
PARK GYM AREA FOR INTERIM USE OF THE CRUSH  
VOLLEYBALL AND APPROVAL OF BUDGET ALLOCATION

**MEETING DATE:** MAY 01, 2018

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### **RECOMMENDATION:**

It is recommended that the City Council approve the following actions:

1. Award the construction contract to Marjani Builders, Inc. in the amount of \$651,000.00 as the lowest, responsible bidder;
2. Authorize 10% to for construction and project management services per Transtech "on-call" services contract;
3. Authorize a construction contingency of 10% for the repairs to the Veterans Park Gym Area for the interim use of the Crush Volleyball; and
4. Allocate an additional amount of \$521,000 from Measure AA to the existing allocated Veterans Park budget pending recommendation of Measure AA Committee

### **BACKGROUND:**

Veterans Park Building is a 38,000 square foot multi-level building, located at 6364 Zindell Avenue in the City of Commerce. It is used to serve the entire City of Commerce as an indoor sports facility and meeting place. It was constructed in 1971 on a closed landfill. Since this building was constructed on a landfill, it has experienced a variety of settlement and utility breakage issues. The original building also housed a shooting range in the basement that was ultimately closed in 2010, and lead removal work was undertaken for all public areas of the building. The basement was sealed and in insuring health and safety of the residents, Council approved a contract in 2016 to fully remove the lead from the basement. In the course of the lead removal, it was discovered that some lead had travelled outside the basement. Although it did not pose any danger, since none was present in the public areas, Council, in abundance of caution approved closure of the building in February 2017 and authorized complete abatement of the building including lead and asbestos.

Since then many options have been explored. At some point, due to the fact that all the Veterans Park sits on a landfill, council also explored options outside the park area. In May 2017, staff presented options for Veterans Park and an indoor recreation facility.

### **Interim use of the GYM for Crush Volleyball**

Per the council direction in recognizing Veterans Park Building as the highest priority for the community, staff along with IDS consulting and Transtech, went to work to find ways to put some parts of the building back in service. While not originally in their scope, IDS with assistance from Transtech, agreed to work with staff to identify and develop plans for interim solutions in order to put some parts of the building back in service. Specifically, the indoor Gym part of the building was considered for interim repair and use in order to provide the Crush volleyball team with the ability to start practice for this season.

At the time of the abatement, the building was fully stripped of lighting, sheetrock, flooring and air conditioning duct work. At this time only the shell of the building remains. However, engineering staff recognized that with some work, it would be possible to put at least part of the building back to service. Commerce engineering staff, Transtech, and IDS consultants worked together to identify the elements that would be required to put the Gym back in service. As such, IDS developed plans for the interim use. The work includes sheetrock, lighting, HVAC and some ADA work. Parks and Recreation staff indicated that they will perform the gym flooring work under separate budget, and the budget for gym flooring is available. Also, the City is required to do 5-year Fire Sprinkler Certification. The 5-year Fire Sprinkler Certification is required regardless of any other work, and was approved by City Council as emergency work at the March 20, 2018 meeting. Due to the emergency nature of the work, Council authorized City Administrator to award the contract.

### **ANALYSIS:**

The initial bid opening was conducted on January 24, 2018. Due to bid withdrawals and other issues, the City Council decided to reject all bids and re-advertise the project. Also, City Council expanded the scope of work to include full HVAC system, which can be reused when the entire building is renovated in the future.

The 2nd bid opening was conducted on April 12, 2018, and the City Clerk opened and announced the bids in a public setting. There were a total of 2 bids submitted. The bid results were as follows:

Bidder Name	Amount
Marjani Builders, Inc.	\$651,000.00
C-1 Construction Corporation	\$715,000.00

Based on the bid results, Marjani Builders, Inc. is the apparent low bidder for the total bid amount of \$651,000. The apparent low bidder has provided references and the required documentation for contractor licensing and State DIR contractor registration in

his bid in compliance with the bid documents. Based on reference calls City staff was able to reach, and verification of the contractors license and DIR registration, the contractor is considered lowest responsible bidder.

The scope of the project was expanded at City Council request to include full HVAC system, which can be reused when the entire building is renovated in the future. Also, the City is required to do 5-year Fire Sprinkler Certification. The 5-year Fire Sprinkler Certification is required regardless of any other work, and was approved by City Council as emergency work at the March 20, 2018 meeting. An additional budget of \$200,000 is being requested for this work. To cover these various costs as listed below, an additional \$521,200 is requested:

Bid amount for Interim Gym Improvements	\$ 651,000.00
Estimated cost for 5-year Fire Sprinkler Certification	\$ 200,000.00
Subtotal:	\$ 851,000.00
Construction Management (approx.10%)	\$ 85,000.00
Contingencies (approx. 10%)	<u>\$ 85,000.00</u>
<b>Total:</b>	<b>\$1,021,000.00</b>

#### **ALTERNATIVES:**

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

#### **FISCAL IMPACT:**

City Council Approved Appropriation (FY 17-18 Budget)	\$ 500,000
Additional Appropriation Request	<u>\$ 521,000</u>
Total Appropriations (FY 17-18)	<b>\$1,021,000</b>

Staff is recommending that an additional amount of **\$521,000** be approved from Measure AA reserves to facilitate project described above. If the City Council approves the request, the existing allocation in the Veterans Park budget account # 41-5180-57010.14693 of \$500,000 would reflect a total budget of **\$1,021,000**.

As indicated previously, Parks and Recreation staff indicated that they will perform the gym flooring work under separate budget.

Important to note, this request has not gone before the Measure AA committee as of yet. In order to expedite the contract (and not delay the process an additional two weeks), staff is recommending Council authorize the allocation of the additional funds, pending Measure AA recommendation for approval on the May 8<sup>th</sup> meeting.

**RELATIONSHIP TO STRATEGIC GOALS:**

The issue before the Council is consistent with the Environmental Compliance, Monitoring, and Reporting Action Item under the Infrastructure and Facilities section of the City's Strategic Plan. This Action Item calls for City oversight and management of environmental compliance for development projects, regulations, public engagement, and coordination with other agencies.

Recommended and Prepared by: Maryam Babaki, Director of Public Works & Development Services

Reviewed by: Vilko Domic, Finance Director

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Administrator

**ATTACHMENTS:**

1. Resolution
2. Bid Analysis