



CITY OF MENIFEE

SUBJECT: Bid Award and Agreement with Act 1 Construction, Inc. for Construction Services for the New Quail Valley Fire Station No. 5 Project

MEETING DATE: October 19, 2022

TO: Mayor and City Council

PREPARED BY: Carlos Geronimo, Principal Engineer

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Award bid and authorize the City Manager to execute an owner-contractor agreement with Act 1 Construction, Inc., to perform construction services for the New Quail Valley Fire Station No. 5 project, Capital Improvement Project No. (CIP) 21-04, in the amount of \$8,626,796.57; and
2. Adopt the budget adjustment resolutions, carrying forward CIP 21-04 New Fire Station No. 5 budget from fiscal year 2021/2022 into the fiscal year 2022/2023 budget in the amount of \$5,655,861.56 and appropriating \$2,184,774 from Quality-of-Life Measure fund balance and \$1,000,000 from American Rescue Plan (ARP) funds into the project funds.

DISCUSSION

The New Quail Valley Fire Station No. 5 is a proposed 9,038 sq. ft. facility that would be located on Goetz Road near Vista Way. The new fire station would replace the existing Quail Valley Fire Station No. 5 located at the intersection of Goetz Road and Avenida Robles. The existing station was built in the 1950's and has undergone a number of remodeling and upgrade efforts in past years. In addition, the capacity of the facility's current septic system is not sized to support the Fire Department's 24/7 safety operations and requires frequent maintenance and pumping. Due to its age, the structure is antiquated, does not support modern fire service functionality, and cannot support additional staff to meet the growing fire response needs in the western area of the City. Currently the facility is able to accommodate three staff members.

The New Quail Valley Fire station would be constructed on a site slightly larger than two acres, providing room for construction of a larger facility that could house up to eight fire personnel. It is also proposed to include a three-door apparatus bay that can accommodate additional, and larger, emergency vehicles. The new station would also include the latest technology and

equipment to support the City in providing top level fire protection services for many years to come.

Prior to advertising a formal bid for construction of this project, staff administered a two-step competitive bid process to pre-qualify contractors. As the first step, on February 22, 2022, staff advertised for responses to a Responsibility Statement and Questionnaire (RSQ). Seven responses were received from construction firms interested in pre-qualifying to bid on the Project. Staff then conducted a comprehensive review of each responding firm's qualifications and determined that the following six contractors met all pre-qualification requirements:

- Act 1 Construction, Inc
- AMG & Associates, Inc
- Cal-City Construction, Inc
- Ericson-hall Construction Co.
- Harry H John Construction, Inc
- PCN3, Inc

These contractors were notified of their pre-qualified status for bidding eligibility and were included in the final bidders list.

On August 25, 2022, the Project was legally advertised for construction bids in accordance with the California Public Contract Code. An electronic bid opening was held on September 22, 2022, and a total of four bids were received as summarized in Table 1 below.

Table 1- Bid Result Summary

Firm Name	Total Bid Amount	Lowest Responsible Bidder
<i>Engineer's Estimate</i>	<i>\$6,800,000.00</i>	
Act 1 Construction Inc	\$8,626,796.57	X
AMG & Associates, Inc	\$9,677,000.00	
PCN3, Inc	\$10,582,000.00	
*Nationwide Contracting Services, Inc.	\$11,694,800.00	

*Nationwide Contracting Services, Inc. was disqualified from the bidding process as the firm did not participate in the pre-qualification process, which was a requirement for this bid.

Staff reviewed the lowest bidder at the time of the bid opening and determined Act 1 Construction, Inc., to be the lowest responsive and responsible bidder with a total bid amount of \$8,626,796.57.

Due to unprecedented escalations in construction and transportation costs nationwide, the bid amounts received were each well above the initial engineering estimate of \$6,800,000, established previously. At this time, the total anticipated construction cost for the project is \$9,540,636 which includes construction, materials testing, labor compliance, inspection, and other costs typically associated with a construction project to deliver a turn-key ready facility. Given the unpredictable nature of material pricing and availability, it is important to note that the Project costs and delivery timelines may continue to be impacted.

The Project was previously identified by the City Council as a priority project due to the need to replace the outdated fire station facility with one that supports additional safety personnel and newer technology and equipment. While the bid process resulted in a higher than estimated project cost, rebidding the project would likely result in a similar project cost outcome and would further defer the start date of construction. Moving forward with award of bid and approval of a construction agreement would allow staff to proceed with the Project at this time to ensure the building can accommodate the timely onboarding of necessary staff and equipment. The existing project budget is currently available in the amount of \$6,355,861.56. At this time, additional funding in the amount of \$3,184,774 would be required to fully support the completion of the project.

Staff has identified unallocated fund balance in the Quality-of-Life Measure fund 105 and American Rescue Plan (ARP) that is available for allocation and is requesting the approval of a budget amendment resolution ("BAR") which would appropriate additional funding in the amount of \$3,184,774 from the fund balance for use towards the Project. If approved by the City Council, the tentative project schedule would be as follows:

Construction Start:	December 2022
Construction End:	November 2023
City Council Acceptance	<u>February 2023</u>

*The timeline above assumes no delays due to weather or unforeseen conditions.

Environmental Impact

A Notice of Determination was filed with the County of Riverside and Recorded on 05/17/2022 for this project.

The project is subject to the mitigation measures per the Audie Murphy Ranch Environmental Impact Report (SCH No. 2001101080) and subsequent addendums. The City has made the following determinations regarding the New Quail Valley Fire Station No. 5 project:

1. The proposed project will not have a significant effect on the environment. Impacts for the project were previously addressed and mitigation measures adopted as part of the Audie Murphy Ranch Environmental Impact Report (EIR).
2. An Environmental Impact Report was previously prepared for the Audie Murphy Ranch Specific Plan development pursuant to the provisions of CEQA. No further environmental documentation is required, because:
 - a. All potentially significant effects of the proposed project have been adequately analyzed in an earlier EIR (SCH# 2001101080) adopted by the City of Menifee pursuant to applicable legal standards;
 - b. All potentially significant effects of the proposed project have been avoided or mitigated pursuant to that earlier EIR;
 - c. The proposed project will not result in any new significant environmental effects not identified in the earlier EIR;
 - d. The proposed project will not substantially increase the severity of the environmental effects identified in the earlier EIR;

- e. No considerably different mitigation measures have been identified; and
 - f. No mitigation measures found infeasible have become feasible.
3. Mitigation measures were made a condition of the approval of the Final EIR (FEIR) and are applicable to this project.
 4. A Mitigation Monitoring and Reporting Plan/Program was adopted for the FEIR and the project is subject to the Program.
 5. A Statement of Overriding Considerations was not adopted for the project.

STRATEGIC PLAN OBJECTIVE

Safe and Attractive Community

FISCAL IMPACT

The total anticipated construction cost for the Project is estimated at \$9,540,636; this includes construction, utility connection fees, furniture for the new facility, and any unforeseen project costs. The available existing funding for this Project is \$6,355,861.56 as summarized in Table 2 below.

Table 2- Existing Project Funding

Fund	Project	Account Number	Available Budget
Quality of Life	New Fire Station #5	105-4555-58102	\$3,452,933.00
DIF 17 - Fire	New Fire Station #5	508-4555-58102	1,760,402.56
DIF-Fire Facilities	New Fire Station #5	521-4555-58102	1,142,526.00
Total			\$6,355,861.56

Additional Project Funding:

Funding to support the remaining construction cost of \$3,184,774 has been identified from available Quality of Life Measure and American Rescue Plan (ARP) funds as summarized as follows:

Table 3- Identified Project Funding

Fund	Project	Account Number		Available Budget	Amount Requested
		From	To		
Quality of Life Measure	Fund Balance	Quality of Life Measure	105-4555-58102*	\$3,184,774	\$2,184,774
Capital Projects	American Rescue Plan (ARP)	ARP Fund (Fund 301)	320-4555-58102**	\$1,000,000	\$1,000,000
Total					\$3,184,774

* The Quality of Life (Measure DD) Oversight Committee was convened on October 11, 2022. Upon review the Committee has made a recommendation to appropriate the recommended \$2,184,774 towards the fire station project.

** Upon approval of the recommended funding, \$1,000,000 would be transferred from revenue account no. 301-3742 (American Rescue Plan) to account no. 320-3900 (Capital Projects – Operating Transfer In) and \$1,000,000 would be transferred from expenditure account no. 320-4221-52216 (American Rescue Plan) to 320-4555-58102 (CIP 21-04: Fire Station New Quail Valley Fire Station No. 5 project).

As part of the fiscal year 2021/2022 mid-year budget review process, the City Council approved the use of American Rescue Plan (ARP) funds in the amount of \$969,863 towards the purchase of a city facility. Since then, the City has elected to not move forward with the purchase of said property. Therefore, staff is recommending re-programming the \$969,863 and an additional \$30,137 for a total proposed appropriation of \$1,000,000 towards the fire station project. The project would be categorized under the Replace Public Sector Revenue Loss (Government Services) category, which provides the maximum spending flexibility. The remaining balance in ARP funds following this appropriation would be \$4,736,369.

As the City navigates the impacts of Covid-19, short and long-term, the City's plan and strategy for the use of these funds is a phased approach/plan and to maximize the use of the funding and truly meet the needs of the community. Cognizant of the requirements to expend all funding by December 2024, the City's approach remains fiscally conservative.

Approval of the budget amendment resolutions would also include an appropriation of additional funding in the total amount of \$2,184,774 from available Quality of Life Measure (Measure DD) funds for use towards this project.

ATTACHMENTS

1. Project Location Map
2. Agreement
3. Facility Design Concept
4. Fund 105 – Budget Amendment Resolution
5. Fund 301 – Budget Amendment Resolution
6. Fund 508 – Budget Amendment Resolution
7. Fund 521 – Budget Amendment Resolution