



## **CITY OF MENIFEE**

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SUBJECT: CIP No. 19-16 (CS020) Lazy Creek Construction Contract

MEETING DATE: February 17, 2021

TO: Mayor and City Council

PREPARED BY: Bryce Howell, Park/Landscape Manager

REVIEWED BY: Jonathan Nicks, Community Services Director

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Adopt a Budget Amendment Resolution to approve the appropriation of \$111,101 from Fund 622 (CFD 2015-2 (Parks)); and
2. Award bid and authorize the City Manager to execute Owner-Contractor Agreement with Optima RPM Inc. for the Lazy Creek Center Improvements Project, CIP 19-16 in the amount of \$1,588,577; and
3. Authorize the City Manager to execute change orders for unanticipated expenditures required to execute the construction of the project, in an amount not-to-exceed 10% of the contract amount or \$158,858.

### **DISCUSSION**

Lazy Creek Recreation Center is the City's only dedicated community center for youth activities, which offers a variety of programs throughout the year for children ages two and above. All programs are in high demand and often have waiting list for participants due to the quality of the programming and the limited size of the existing facility. The project will increase the size of facilities and create the capacity to accommodate more programs or increase program size to allow more participants, which will alleviate the waitlists and high demand, and better serve the community.

Lazy Creek Center Improvement Project consists of the remodel of the existing 1,990 sq. ft. recreation building and an additional 2,360 sq. ft. new building (see attached conceptual drawing). Both buildings will provide year-round programs, camps, and events within the City of Meniffee. The existing 1,990 sq. ft. recreation center building will be renovated to provide upgrades including a new roof, electrical, lighting, HVAC, windows, doors, paint, accessibility parking stalls, and other similar improvements. The new 2,360 sq. ft. recreation building will include two 738 sq.

ft. multi-purpose rooms, a 267 sq. ft. food preparation and serving area, 185 sq. ft. storage room, two restrooms and a patio.

Staff have worked diligently with IDS Design Group, Inc., various City Departments, and local utility agencies to take the conceptual design to fully approved and permitted construction ready documents to ensure a quality facility. To date, expenditures to the Lazy Creek Center Improvements Project accounts have been related to design, finalization of construction documents, and permitting in order to take the next step in procurement process to begin accepting sealed bids.

In compliance with the California Public Code (CPCC), the project was advertised twice for more than the required 14 days. An electronic bid opening for the above-mentioned project was held on January 13, 2021 at 5:00 pm. Below are the results of the bid opening. A total of 12 bids were received as follows:

<b>Bidders (Lowest to Highest)</b>	<b>Total Bid amount</b>
<i>Engineer's Estimate</i>	<i>\$1,474,109</i>
<b>Optima RPM, Inc</b>	<b>\$1,588,577</b>
IBuild Spectrum Inc.	\$1,655,960
CABD Construction Inc	\$1,981,700
Pacific Hydrotech Corp.	\$2,080,300
Caltec Corp.	\$2,121,323
PUB Construction Inc.	\$2,270,000
Caliba Inc.	\$2,274,323
Three Peaks Corp.	\$2,461,112
LJB Construction Inc.	\$2,690,000
Act 1 Construction Inc.	\$3,050,296
FEC Future Contractors and Engineers Inc.	\$3,101,000
Aid Builders Inc.	\$3,534,900

City Staff reviewed the lowest bid from Optima RPM inc. and determined that their bid meets all of the requirements of the contract documents for responsiveness and responsibility.

The City received one(1) protest letter from the second highest bidder, IBuild inc. After reviewing the submitted protest, the City determined that the concerns presented were either not valid or would not result in the disqualification of Optima RPM, therefore, the City rejected the bid protest.

Construction costs for the project including labor compliance and material testing for the project are as follows:

Construction Contract	\$1,588,577
Construction Contingency	\$158,858
Construction Management	\$90,000
Labor Compliance	\$12,700
Asbestos Testing	\$2,100
Geotechnical/Materials Testing Services	\$30,000
<b>Total Construction Cost</b>	<b>\$1,882,235</b>

The available funds from the approved FY 2020-21 budget for the construction of this project is \$1,365,155 in various accounts. Including contingencies, the actual project cost as noted above is \$1,882,235, which leaves a deficit of \$517,080. Below is a table outlining the current fund balances and required funding to complete the Lazy Creek Center Improvements Project (CIP No. 19-16):

<b>Available Funding</b>	
Approved FY 2020-21 Budget for CIP No. 19-16	\$1,500,000
Design and Permitting Expenditures	(\$134,845)
<b>Remaining Balance</b>	<b>\$1,365,155</b>

<b>Construction Costs</b>	
Construction Contract	\$1,588,577
Construction Contingency – 10%	\$158,858
Construction Management	\$90,000
Labor Compliance	\$12,700
Asbestos Testing	\$2,100
Geotechnical/Materials Testing Services	\$30,000
<b>Total Construction Cost</b>	<b>\$1,882,235</b>

<b>Funding Gap</b>	
<b>Available Funding less Construction Cost</b>	<b>(\$517,080)</b>

Tentative Project Schedule:

Anticipated Construction Start Date: March 1, 2021

Estimated Construction Completion Date: December 1, 2021

*\*Assumes no delays due to weather or unforeseen conditions.*

### **Environmental Impact**

The proposed use has been determined to be Categorically Exempt ("Existing Facilities") under the California Environmental Quality Act (CEQA) and CEQA Guidelines, Section 15301.

### **STRATEGIC PLAN OBJECTIVE**

Livable and Economically Prosperous Community

### **FISCAL IMPACT**

The available funds from the approved FY 2020-21 budget for the construction of this project is \$1,365,155 in various accounts. Including contingencies, the actual project cost as noted above is \$1,882,235, which leaves a deficit of \$517,080.

To prevent any delay in moving forward with the project, staff has reviewed other existing funding available to cover the funding gap and identified the following available funds from various projects that were completed under budget or have been completed using other available funds:

<b>Fund Account #</b>	<b>Available Fund Balance: Savings and unassigned funds</b>
507-4555-58065 KC Campus Improvements	\$137,979
507-4555-58052 Evans Park Design & Construction	\$100,000
507-4555-58077 EOC Relocation	\$168,000
<b>Total</b>	<b>\$405,979</b>

This request will modify the approved FY 2020-21 CIP Budget to the following:

<b>Account Description</b>	<b>Account #</b>	<b>Available</b>	<b>Transfers</b>	<b>Appropriation</b>	<b>Total</b>
Lazy Creek Campus Improvements	320-4555-58082	\$765,810			\$765,810
Lazy Creek Campus Improvements	511-4555-58082	\$599,345			\$599,345
KC Campus Improvements	507-4555-58065		\$137,979		\$137,979

Account Description	Account #	Available	Transfers	Appropriation	Total
Evans Park Design & Construction	507-4555-58052		\$100,000		\$100,000
EOC Relocation	507-4555-58077		\$168,000		\$168,000
CFD 2015-2 (Parks)	622-4555-58082			\$111,101	\$111,101
<b>TOTAL</b>		<b>\$1,365,155</b>	<b>\$405,979</b>	<b>\$111,101</b>	<b>\$1,882,235</b>

An appropriation of \$111,101 from Fund 622 (CFD 2015-2 (Parks)) will be necessary to cover a portion of the total project costs. A corresponding Budget Adjustment Resolution approving the appropriation is included with this staff report.

#### **ATTACHMENTS**

1. Fund 622 Budget Amendment Resolution FY 2020-21
2. Agreement with Optima RPM, Inc. for CIP No. 19-16
3. Lazy Creek Conceptual Design
4. Bid Protest Response
5. Bid Protest Letter
6. General Building Contractor Fast Facts
7. C-16 Licensing Classifications