

AGENDA BILL

11

No. 11

Meeting Date: 8/7/18

SUBJECT: AWARD OF CONTRACT FOR CONSTRUCTION OF THE VILLAGE ENTRANCE PROJECT

SUMMARY OF THE MATTER:

In January 2018, the City Council sustained the Planning Commission approval of the Village Entrance project design review and provided further approval of project design changes related to landscaping, lighting, fencing along the channel, art in public places and retaining walls. In December 2017, the City Council approved a contract for final design and appropriated funding to set a budget of \$8.366 million for the entire project. The project specifications and final engineering plans are now complete based on the City Council approved project design and construction bids have been received for the project from three prequalified contractors. The project budget includes funding for design, construction, engineering support during construction, soils and materials testing, construction management, inspection, utility connection fees, County and Caltrans fees, art in public places, and contingency. The projected costs for these items, including the lowest bid for the base project are \$10.865 million, which results in a shortfall of approximately \$2.499 million to complete the project. A summary of the project budget is included as Attachment 1. If the City Council choose to direct staff to proceed with the project construction, then staff recommends award of contract to CS Legacy Construction Inc. (CS Legacy) for construction, appropriation from the Parking Fund, authorizations for construction related contracts and expenses, and approval of maintenance agreements with Caltrans and the County. Staff is also seeking Council direction on desired bid alternate items. The City Council can also direct staff to reject all construction bids and not proceed with the project at this time.

BACKGROUND:

On December 5, 2017, the City Council authorized staff to proceed with final design, permits, and bidding for the project. The Planning Commission and California Environmental Quality Act (CEQA) approvals were received in December 2017. In January 2018, the City Council reviewed and confirmed the design and approved further design modifications related to landscaping, lighting, fencing along the channel, art in public places and retaining walls. Project final engineering plans and specifications have been prepared by the project engineer and the project was advertised for construction. Prior to bidding, interested contractors were pre-qualified by the City's project manager, Griffin Structures (Griffin). The pre-

RECOMMENDATION: It is recommended that the City Council approve the recommendations as outlined on page 4 of this report.

Appropriations Requested: To be determined; up to \$3,527,018 based upon Council action

Fund: Parking

Attachments: 1) Budget Summary (pg. 5)

Submitted By: Shohreh Dupuis
Shohreh Dupuis, Assistant City Manager/
Director of Public Works
Coordinated with: Mark Trestik
Mark Trestik, Acting City Engineer
Coordinated with: Gavin Curran
Gavin Curran, Director of Admin. Services
Approved: John Pietig
John Pietig, City Manager

qualification was based on several criteria, such as license requirements and current standing, bonding ability and relevant experience with projects of similar size and value. All three firms that applied were pre-qualified. A public bid process was conducted in accordance with California Public Contract Code requirements, and on July 13, 2018, all three pre-qualified firms submitted bids.

Following is a summary of the bids sorted by bid amount:

Table of Bid Results

Bidder	Base Bid Amount
1. CS Legacy Construction Inc.	\$ 7,673,503
2. Los Angeles Engineering Inc.	\$ 8,214,231
3. Griffith Company	\$ 9,777,490

Following a review of the bids, it was determined that the lowest bidder, CS Legacy, is qualified, properly licensed to perform the work, and is responsive and responsible. CS Legacy has built projects of similar size including Crown Valley Park in Laguna Niguel and Chittick Field in Long Beach, and constructed the South Laguna Streetscape for the City in 2009. CS Legacy was pre-qualified as a bidder, is capable of performing the work, and has confirmed the accuracy of their prices at a post bid interview. Therefore, it is recommended that a contract be awarded to CS Legacy for construction of the Village Entrance project if the City Council choose to proceed with the project.

A permit has been received from Orange County Flood Control (OC Flood) and a Caltrans permit is expected to be issued in August 2018. Both agencies require the City to enter into a Maintenance Agreement to define terms under which the City will install and maintain improvements within OC Flood and Caltrans right-of-ways. The agreements for both agencies are currently being negotiated and will be reviewed by the City Attorney. It is recommended that the City Council authorize the City Manager to sign and execute the maintenance agreements.

The project also requires a building for Marine Safety storage in the amount of \$322,807. This item is for a forty-foot extension to the pre-fabricated Police Support Services building proposed behind City Hall that is replacing the existing metal garage. The Marine Safety Department also utilizes a portion of the existing metal garage building for storage. This storage space could not be relocated to the corporation yard as originally planned due to space limitations. Therefore, it is recommended that the new metal building for the Police Department be extended to accommodate essential Marine Safety storage needs. Extension of the building requires amending the Design Review and Coastal Development Permit (CDP) approval. The amendment will be brought for Council consideration, as the governing body taking last action on the project, after public noticing, unless the Council prefers remanding to the Planning Commission.

OPTIONAL WORK:

The City Council requested that bids be received for the three optional items summarized below. The City Council can choose to add any, all, or none of these alternate items to the contract award.

Retaining Wall (\$165,198) – This item is for grading the northeast corner of the parking lot by the new bridge and installing a retaining wall with weathered steel facing to create four additional parking spaces.

Decorative Channel Fence (\$564,959) – This item is to replace the existing chain link fence at the channel with a decorative cable style fence to improve aesthetics and provide greater visibility into and through the project site. A credit of \$128,601 would be received for the chain link fence included with the base bid, resulting in the total cost of \$436,358. Although an amount has not been confirmed or agreed to, County staff have indicated a willingness of the County to consider participating in sharing fence costs by contributing an amount equal to the replacement cost of the deteriorated chain link fence.

Digester Building (\$433,174) – This item is for a higher level of rehabilitation of digester exterior beyond the minor repairs of paint and patching included in the base bid. The base bid includes patching any holes in the surface up to three inches in diameter and re-painting the entire exterior of the building. The alternate scope of work would follow what was recommended in plans prepared by Morris Skenderian in 2017 that were previously presented to the City Council. Specifically, the work would include patching and filling all holes, cracks and joint pockets, sand blasting, repairing all wood sills and frames, removing unused electrical conduits, and repainting. In addition, per Council direction, the exterior second level spiral stairs would be re-installed to match the original construction. The stairs would be for aesthetics only, not for actual use, as they are not accessible. A credit would be received for the base bid amount of \$100,723, resulting in the total cost of \$332,451.

If a full historical restoration of the digester building is desired, including replacing pre-existing windows that have been filled in, then a Historic Architect would have to be hired to prepare detailed restoration plans and the project would have to be bid. This higher level of restoration would require additional approvals from the Planning Commission and should be treated as a separately funded future project to avoid delaying construction of the Village Entrance.

COST IMPACTS:

Below is a summary table of the base bid, alternate bid items, contingencies and additional funding needed for the various options:

Cumulative Project Scope	Construction Cost (Net)	10% Contingency	All Other Project Costs ***	Cumulative Total Project Cost	Shortfall *
Base Bid with Marine Safety Storage Building **	\$7,996,310	\$799,631	\$2,069,669	\$ 10,865,610	\$2,499,610
Add Retaining Wall	\$ 165,198	\$ 16,520	-	\$ 11,047,328	\$2,681,328
Add Decorative Fence	\$ 436,358	\$ 43,636	-	\$ 11,527,322	\$3,161,322
Add Digester Building	\$ 332,451	\$ 33,245	-	\$ 11,893,018	\$3,527,018

* Shortfalls are derived by subtracting the prior Council-approved construction budget of \$8,366,000 from the cumulative total project cost shown for each option.

** Recommended option

*** Includes design, engineering support during construction, soils and materials testing, construction management, inspection, utility connection fees, County & Caltrans fees, art in public places, and contingency.

Funding will be needed for other project related expenses such as geotechnical observation, soils and materials testing, inspection, utility connection fees, County and Caltrans fees, and contingency. These expenditures will be used only as necessary, and maximum estimated amounts are summarized in Attachment 1. Contracts for construction management and construction engineering support have already been awarded to Griffin and Michael Baker Associates respectively. It is recommended that the City Manager be authorized to execute contracts, approve project related expenses, and approve construction change orders for unforeseen conditions, in the amount not to exceed the total project budget of \$10,865,610.

The base bid project has been value engineered to minimize costs. Several non-essential items were omitted from the final design. Any further reductions would alter project integrity and scope and would be subject to additional Design Review. To lower costs, the project area, not the scope of work, would need to be reduced.

The Council also has the option of rejecting all bids and not proceeding with the project at this time. The project could be deferred to a later date or re-designed to reduce the project area.

SCHEDULE:

If a construction contract is awarded, groundbreaking will occur on September 4, 2018. Phase 1 is on the west side of the channel and will continue until May 24, 2019. Equipment would then be removed and parking lots restored for the summer season. Phase 2, which includes all work on the east side of the channel and behind City Hall, would then begin on September 3, 2019, and continue until May 22, 2020, at which time the project would be fully completed. A comprehensive public outreach effort will be implemented as part of this project, including social media and a newsletter on the City's website.

RECOMMENDATION:

It is recommended that the City Council:

1. Direct staff to proceed with construction of the Village Entrance project by:
 - a. Award and authorize the City Manager to execute a contract with CS Legacy Construction Inc. in the amount of \$7,996,310 for the construction of the Village Entrance project, including the base bid and the Marine Safety building;
 - b. Appropriate \$2,499,610 from the Parking Fund;
 - c. Authorize the City Manager to execute construction related contracts, to approve project related expenses, and to approve construction change orders for unforeseen circumstances, for an amount not to exceed the total project budget of \$10,865,610; and
 - d. Authorize the City Manager to execute Maintenance Agreements with Caltrans and OC Flood.

and

2. Direct staff to proceed with none, any or all of the Council desired bid alternates for the Village Entrance Project summarized in the chart on page 3, appropriate the corresponding additional funds needed from the Parking Fund.

or

3. Reject all bids and not proceed with the Village Entrance Project at this time.

Village Entrance Project Budget 8/7/18

Attachment 1

	COMPONENT	December 2017 Council Approved Budget	July 2018 Bids Received
1	A/E SERVICES		
	Design Development	\$650,000	\$650,000
	Construction Documents	Included	Included
	Bidding	Included	Included
	Construction Administration	Included	Included
	Reimbursables	Included	Included
	Design & Procurement Services	Included	Included
	* Building Design	N/A	\$23,300
	* Bridge BR-3 Revisions	N/A	\$9,540
	* Lot 725 Plan Revisions	N/A	\$3,829
2	GEOTECHNICAL		
	Soils Reports (Buildings, Parking Areas)	Completed	Completed
3	ENVIRONMENTAL	Completed	Completed
4	DEPUTY TESTING AND INSPECTION		
	Soils Testing	\$130,000	\$160,000
	Materials Testing	\$50,000	\$175,000
5	CONSTRUCTION COSTS	\$6,193,000	\$7,673,503
	* ADD MARINE SAFETY BUILDING ALTERNATE		\$322,807
			\$7,996,310
6	CONSTRUCTION MANAGEMENT		
	Overhead, Fee & Administration costs	\$492,330	\$492,330
	Reimbursables, Legal, Insurance	\$7,670	\$7,670
		\$500,000	\$500,000
7	INSPECTOR OF RECORD	\$156,000	\$308,000
8	UTILITY CONNECTION FEES	\$50,000	\$50,000
9	MUNICIPAL FEES AND ADMINISTRATION		
	City of LB Plan Check, Permit Fees, and Building Inspections	N/A	N/A
	* CalTrans Review		\$25,000
	* Laguna Beach County Water		\$25,000
	* Orange County (Flood Control) Review		\$25,000
10	CONTINGENCY: CITY OF LAGUNA BEACH	\$557,300	\$767,350
	ADD MARINE SAFETY BUILDING CONTINGENCY		\$32,281
			\$799,631
11	ART IN PUBLIC PLACES	\$80,000	\$115,000
	PROJECT TOTALS	\$8,366,000	\$10,865,610

* Not included as part of December 2017 budget