



CITY COUNCIL AGENDA REPORT

MEETING DATE: September 19, 2006

ITEM NUMBER:

SUBJECT: COSTA MESA POLICE FACILITY EXPANSION AND RENOVATION PROJECT - CITY PROJECT NO. 06-08

DATE: AUGUST 25, 2006

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: ERNESTO MUNOZ, CITY ENGINEER, (714) 754-5343

RECOMMENDATION:

1. Adopt plans, specifications, and working details for the Police Facility Expansion and Renovation Project, City Project No. 06-08.
2. Approve Budget Adjustment No. 07-013 (Attachment 1) for \$18,194,000 as detailed under the Fiscal Review section of this report.
3. Award a contract to USS Cal Builders, Inc., 8051 Main Street, Stanton, CA 90680, in the amount of \$18,194,000.
4. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

BACKGROUND:

At the June 21, 2005 City Council meeting, Council authorized staff to move forward with the construction phase of the Police Facility Expansion and Renovation Project. The project consists of an approximate 11,000 square-foot expansion to the existing building; a renovation of approximately 75 percent of the existing building; a seismic retrofit of the existing building; and the construction of additional parking areas. The construction and completion of the entire project is anticipated to last approximately 30 months with a tentative start date of October 2006.

ANALYSIS:

The City Clerk received and opened five (5) bids for this project on August 15, 2006. USS Cal Builders, Inc. was the apparent low bidder with a base bid proposal of \$17,796,000. The Engineer's estimate was \$19,145,000; and the average of the five (5) bids received amounted to \$19,208,800.

An analysis of the bids indicates that the apparent low bidder submitted a proposal that is seven (7) percent lower than the Engineer's estimate. The Bid Abstract is included as "Attachment 2."

In addition to the base bid, the bid solicitation also included one additive bid item. The additive bid item includes the removal and replacement of all the glazing in the existing Police Facility. The low bidder's total for the base bid plus additive bid item AD-1 is \$18,194,000. The Engineer's estimate for the base bid plus additive bid item AD-1 is \$19,445,000. Since the amount of the base bid plus additive bid item AD-1 is within the Engineer's estimate, staff recommends the award of the contract to include the additive bid item.

Given the complexity, size, cost, and the critical nature of this facility, staff focused a significant amount of effort in the preparation of a prequalification program to procure the most qualified contractor for this project. USS Cal Builders successfully pre-qualified for this project. The license and references of USS Cal Builders were checked and staff has found them to be in good standing.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to reject all the bids. If all the bids are rejected, the City would have to re-advertise or cancel the project. Staff believes that re-advertising the project will not yield lower bids.

FISCAL REVIEW:

The attached Budget Adjustment, No. 07-013, appropriates \$18,194,000 toward the contract to USS Cal Builders. Funding for the Police Facility Expansion and Renovation Project will come from debt proceeds. Finance staff anticipates issuing the debt sometime this year. Council approved a reimbursement Resolution, No. 05-83, on December 6, 2005 to allow the City to incur expenditures related to this capital project prior to issuance of the debt and then reimburse the City from the debt proceeds when the debt is issued.

The proceeds from the future debt issuance and the expenditures related to this project will be accounted for in a newly-established Fund 412/PD Facility Expansion Project Fund. Finance staff reviewed the appropriate mechanism to account for this debt issue because of its significance, and determined it was best to set up a separate fund for this transaction. Since prior year's expenditures were accounted for in Fund 401/Capital Outlay Fund, staff will make the necessary accounting entries to reimburse Fund 401 after the City receives the debt proceeds.

When the debt is issued, staff will also be asking Council's approval to adjust the General Fund Budget to accommodate debt service payment requirements in FY 06-07, as appropriate.

LEGAL REVIEW:

USS Cal Builders has furnished the necessary bonds and insurance, which were approved as to form by the City Attorney's office. After the award and subsequent execution of the contract, a "Notice to Proceed" will be issued.

CONCLUSION:

It is recommended that the City Council adopt plans, specifications, and working details for the Police Facility Expansion and Renovation Project; approve Budget Adjustment No. 07-013 in the amount of \$18,194,000; award a contract to USS Cal Builders, Inc. in the amount of \$18,194,000; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

ATTACHMENTS: "1" [Budget Adjustment No. 07-013](#)
"2" [Bid Abstract](#)

DISTRIBUTION: City Manager
Assistant City Manager
City Attorney
Chief of Police
City Clerk
Staff
File

File Name Award Police Facility Expansion Report Date 08-25-06 Time 1:00 p.m.