



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MARCH 6, 2018

DEPARTMENT: PUBLIC WORKS

FROM: DON REYNOLDS, ACTING PUBLIC WORKS DIRECTOR

BY: JOSIE LANTACA, ASSISTANT ENGINEER

TITLE: OLD MUNICIPAL SWIMMING POOL BUILDING RETROFIT –
PHASE 2; CIP NO. 9535

RECOMMENDED MOTION:

A motion to:

- 1) Approve and authorize the transfer of funds in the amount of \$280,000 from CIP No. 9756 (Central Park Improvements) to CIP No. 9535; and
- 2) Approve award of contract to Premier Builders, Inc., for the Old Municipal Swimming Pool Building Retrofit – Phase 2 (CIP No. 9535) in the amount of \$337,412.00 (Base Bid plus Additive Alternate A for Electrical Work).

RECOMMENDATION:

It is recommended that the City Council approve a Resolution approving and authorizing the transfer of funds in the amount of \$280,000 from CIP No. 9756 (Central Park Improvements) to CIP No. 9535; and approving award of contract to Premier Builders, Inc., for the Old Municipal Swimming Pool Building Retrofit – Phase 2 (CIP No. 9535) in the amount of \$337,412.00 (Base Bid plus Additive Alternate A for Electrical Work).

EXECUTIVE SUMMARY:

On December 19, 2017, bids were opened for the Old Municipal Swimming Pool Building Retrofit – Phase 2 (Electrical and Mechanical Work) (CIP No. 9535). The work includes the installation of a new heating, ventilation, and air-conditioning (HVAC) system for the building, and a new electrical system.

To date, funding received for this CIP 9535 totaled \$2,435,345. As of February 5, 2018, project expenditures (encumbered and expended) totaled \$2,317,275. This leaves an unencumbered balance of \$118,070. Insufficient funds are available to proceed with project award for both the electrical and mechanical work. To make up the difference, a transfer of funds in the amount of \$280,000 from CIP No. 9756 (Central Park Improvements) to CIP No. 9535 is being requested. If

the transfer of funds is approved, the total funds are only sufficient to allow the electrical work to be awarded. Staff recommends that the bid be awarded for the electrical work and that the remaining work necessary to create a fully functional multi-use recreation center, estimated at approximately \$802,000, should be specified and bid in the near future. Additional sources of funding would be sought to complete the project.

BACKGROUND:

The Old Municipal Swimming Pool Building, located at 920 N. Main Street, was built in 1949 (over 65 years ago). In 2009, after completion of the New Aquatic Center, the old swimming pool was drained, and the building was not utilized. In 2016, Council approved the initial renovation work for this building to convert it into a multi-use recreational facility. The work was done in phases to accommodate funding availability. Phase 1 construction work is mostly complete, except for the floor system installation and some painting work.

The completed Phase 1 construction work includes the following:

- Hazardous materials removal and/or abatement including its proper disposal
- Demolition/removal of the existing swimming pool deck and the top 18” of vertical pool wall, including fracturing of the existing pool bottom; structural backfill of the existing pool; and construction of new reinforced concrete slab
- Replacement of the roof systems
- Miscellaneous structural repairs
- Replacement in kind of deteriorated roof framing members and roof sheathing
- Seismic upgrades
- Removal and disposal of old glass windows and wood frames on the south, east and west sides of the building, and replacement with new walls with windows
- Replacement of broken glass on existing windows and door
- Replacement of existing roll-up doors with new wall and one door
- Repair and replacement of several dry rot/deteriorated walls/beams
- Removal and replacement of deteriorated piping system
- Construction of a concrete wall system to separate the basketball area, and have a foldable basketball goal system safely mounted on the wall system
- Installation of roofing over the storage area
- ADA upgrades of two stand-alone restrooms
- Interior painting; and limited exterior painting

The new floor system installation is on-hold at this time to avoid the likelihood of damaging the floor system during construction of the electrical and mechanical work. The new floor system will be installed after completion of this work.

In preparation for the future phases of the renovation work, the Library and Community Services Department held a community outreach meeting on January 26, 2017 to ask for the public’s input regarding the use and activities they would like to have in the new facility. Public Works staff and representatives from WR&D, the project’s architects, also attended the meeting. In summary, the participants of the public meeting desired to have multi-use spaces within the building to allow a

variety of recreational opportunities inside the building. It was also suggested that the spectator's area be demolished. WR&D then developed a proposed floor plan of the building that reflected the input gained from that community outreach meeting.

Premier Builders Inc. was further authorized to do additional work. The work authorized included the following:

- Demolition of the old pool equipment
- Renovation of the restroom areas, including the associated plumbing work
- Miscellaneous demolitions
- Miscellaneous carpentry/structural work; and
- Building concrete work, concrete saw cutting, structural framing, partition wall framing, insulation, sealants & caulking, and drywall

In order to finish the project, with the result being a completely functional multi-use recreation center, the following work must be completed, though a funding source has not yet been identified for all of this work:

- The installation of new heating, ventilation, and air-conditioning (HVAC) system for the entire building
- Installation of new electrical system
- Basketball goals installation
- Restroom finishes
- Demolition of spectator's area and installation of structural braces
- Construction of rooms under spectator's area (including electrical work, finishes, and HVAC)
- Construction of multi-purpose room at the old women's restroom area (including electrical work and finishes)
- Treatment of existing trusses along the south wall for ADA compliance

The HVAC and electrical work require specialty contractors in their respective trades. Thus, this portion of the work was advertised for bidding with a base bid for mechanical work, and a base bid for electrical work. In addition to the base bid for electrical work, two additive alternatives are also specified. The scope of work includes the following:

- Additive Alternative A – includes the installation of a complete electrical system, conduits with wiring, and using the same lighting fixtures for the courts area and the recreational space area.
- Additive Alternative B – includes the installation of a complete electrical system, conduits with wiring with custom lighting fixtures within the recreational space area.

Bids were opened on December 19, 2017, with the following results (see attached Bid Tabulation Sheet for details):

Contractor	Base Bid (Mechanical Work)	Base Bid (Electrical Work)	Additive Alternate A (Electrical Work)	Additive Alternate B (Electrical Work)
Brannon Inc. dba Smith Electric Service (Santa Maria, CA) <i>(Invalid Bid Package)</i>	\$144,956.00	\$274,075.00	\$9,683.00	\$19,784.00
Premier Builders Inc. (Gilroy, CA)	\$165,810.00	\$329,610.00	\$7,802.00	\$16,913.00
<i>Engineer's Estimate</i>	<i>\$124,200.00</i>	<i>\$213,200.00</i>	<i>\$6,500.00</i>	<i>\$15,000.00</i>

The provision of the “Local Purchasing Preference Ordinance” is not applicable for this project because funding for the project includes CDBG funds. Neither bid is local.

The bid from Brannon, Inc. (dba Smith Electric Service) didn’t have the signed Addendum No. 1 Document in its bid proposal package. Addendum No 1 included the electrical specifications portion of the work that was inadvertently left out in the original project specifications, which could potentially have an impact on the electrical cost proposal. The signed Addendum No 1 Document is a requirement to be submitted with the bid proposal package on the bid opening date. Thus, the bid from Brannon, Inc. is deemed invalid and the bid deemed non-responsive.

Premier Builders’ bid for the mechanical work is 33.5% above the Engineer’s Estimate, and their bid for all electrical work is 51% above the Engineer’s Estimate. Several factors may have contributed to the low interest in submitting bids for this project, and the high bid amounts received. One contractor said that they did not bid on the project because of the multiple prime contractors’ involvement with the project which could be tricky without an existing working relationship with all the contractors involved. Others said that they couldn’t be competitive with only the mechanical and electrical scope of work because they typically use sub-contractors for these portions of the work. Some contractors said that the scope of work is too small for them to comply with various City requirements like the apprenticeship program, and too small to compete with potential contractors that are non-union members. Premier Builders bid the project as a prime contractor listing mechanical and electrical contractors as their subs, thus their total bid includes the prime contractor’s mark-up.

Staff recommends awarding the project to the only valid bidder, Premier Builders, Inc. in the amount of \$337,412.00 (Electrical Work’s Base Bid plus Additive Alternate A Only). Despite the high bid received for the electrical work, staff is recommending award of the electrical portion of the work because the electrical work is critical to be in place prior to installing the new rubberized floor system which is part of Premier Builder’s Phase 1 work. The new floor system materials are already on site and will need to be installed in order to close the current Phase 1 Contract. The electrical work has the most impact on the floor system. The remaining future work can be accomplished with the least amount of impact on the new floor system.

CEQA CONSIDERATION:

This project has been reviewed per the California Environmental Quality Act (CEQA) Guidelines, and has been determined to be Categorically Exempt in accordance with Section 15301 et seq. (Class 1). A “Notice of Exemption” was filed at the Monterey County Recorder’s Office on October 16, 2015.

A National Environmental Policy Act (NEPA) review was completed on November 24, 2014, and March 25, 2016 for the Phase 1 work, and another NEPA review was completed on November 11, 2016 for the Phase 2 work. The project was determined to be Categorically Excluded per 24 CFR 58.35(a), subject to laws and authorities at 58.35(a)(1).

This project meets the CDBG HUD National Objective of Low-Moderate Area (LMA) benefit, 570.208(a)(1) where the project would benefit at least 51% of the residents in the service area (of the project) that are of Low-Moderate Income (LMI).

STRATEGIC PLAN INITIATIVE:

The Old Municipal Swimming Pool Building Retrofit Phase 2 Project addresses the current City Council Goals of Well Planned City and Excellent Infrastructure; Safe, Livable Community; and Quality of Life by providing a safe recreational facility for Salinas residents.

FISCAL AND SUSTAINABILITY IMPACT:

Total funding for Phases 1 and 2 of this project includes the following:

Measure G (FY 15/16)	\$100,000
General Fund (3/1/16 - Council Action Date)	\$241,000
CDBG (FY 14/15)	\$350,000
CDBG (4/5/16 - Council Action Date)	\$797,285
CDBG (11/29/16 - Council Action Date)	\$280,000
CDBG (FY 16/17) – Phase 2	\$667,060
Total	<u>\$2,435,345</u>

Expenditures (encumbered & expended for (\$2,317,275)
Phases 1 and 2) through February 5, 2018

Currently Available	\$118,070
Proposed Transfer from CIP 9756	\$280,000
Total Available (if transfer is approved)	<u>\$398,070</u>

Expenditures (encumbered and expended) through February 5, 2018 totaled \$2,317,275 for this project, including costs associated with design (consultants and engineering fees), inspection, construction, all contract change orders (CCO) to date, and building permit fees. This leaves an unencumbered balance of \$118,070.

Based on Premier’s Bid, insufficient funds are available to proceed with project award for both the electrical and mechanical work, and all the other scope of work as mentioned in this report.

The funds from CIP No. 9756 (Central Park Improvements) in the amount of \$280,000 is a carry-over from a larger project, and at one point there was an idea of renovating the recreation building there. At this time, this amount wouldn't be sufficient to do the renovation work; thus, it is recommended that the carry-over funds be transferred/used for CIP 9535 (Old Pool Building Retrofit Project).

If the requested transfer of funds in the amount of \$280,000 from CIP No. 9756 – Central Park Improvements to CIP No. 9535 is approved, the total available funding will be \$398,070. This amount will only be sufficient to award the electrical portion of the project. There will still be insufficient funds to complete all the work contemplated on this project. Awarding the electrical portion of the work will allow the CDBG funds to be spent in a timely manner, and will provide the necessary lighting system for the building.

The estimated construction cost for the electrical work (Base Bid plus Additive Alternate A), including construction administration/inspection, and contingencies, is \$388,052. Below is a summary of the projected costs:

Construction cost for electrical work (Premier's Bid)	\$337,412.00
Construction administration/inspection (5%)	16,900.00
<u>Contingencies (10%)</u>	<u>33,740.00</u>
Total Estimated Project Costs	\$388,052.00

If the requested transfer of funds in the amount of \$280,000 from CIP No. 9756 – Central Park Improvements to CIP No. 9535 is approved, sufficient funds will be available to proceed with project award of the electrical portion of the project including inspection and contingencies.

Cost for the remaining work to finish the project is estimated as follows:

Mechanical/HVAC work	\$165,810.00
Restroom finishes	166,000.00
Basketball goals	15,000.00
Demolition of spectator's area & installation of braces	\$100,000.00
Construction of rooms under spectator's area	\$100,000.00
Construction of multi-purpose room	\$100,000.00
Southwall ADA compliance, building permits, etc.	\$55,000.00
<u>Inspection and Contingencies</u>	<u>\$100,000.00</u>
Total Estimated Project Costs (Unfunded)	\$801,810.00

The cost to finish the entire project (all Phases) is estimated at \$801,810. Staff is in the process of identifying additional funding source(s) for this project to be included in the CIP for FY 18/19, and applying for additional CDBG funds. In the mean-time, the rest of the unfinished work for this project will be advertised for bidding.

ATTACHMENTS:

Location Map
Resolution
Bid Tabulations