



MEMORANDUM

TO: CITY COUNCIL

FROM: BILL ROBESON, PUBLIC WORKS DIRECTOR

BY: JILL MCPEEK, CAPITAL IMPROVEMENT PROJECT MANAGER

SUBJECT: CONSIDERATION OF AN AWARD OF CONTRACT TO EFFECT CONTRACTORS FOR CONSTRUCTION OF THE CITY OF ARROYO GRANDE AND WOMAN'S CLUB COMMUNITY CENTER KITCHEN RENOVATION PROJECT, PW 2016-01

DATE: NOVEMBER 28, 2017

SUMMARY OF ACTION:

Take action to award a construction contract to renovate the kitchen at the City of Arroyo Grande and Woman's Club Community Center. It is anticipated that work will be accomplished between January and April of 2018.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The amended Capital Improvement Program Budget includes \$239,500 for the project which includes \$55,492 in donations. The total cost for the proposed kitchen renovation project is estimated at \$262,813. Staff is recommending an appropriation of \$23,313 from the Park Development Fund. The current unallocated Park Development fund balance is approximately \$651,500. It is anticipated that there will be an indeterminate increase in rental fees for the Community Center building given the proposed kitchen improvements that will qualify for commercial kitchen status, significantly increasing the desirability of the facility for rental purposes. It is estimated that approximately eighty hours of staff time will be necessary to provide oversight during project construction.

RECOMMENDATION:

It is recommended the City Council:

1. Award a contract for the City of Arroyo Grande and Woman's Club Community Center Kitchen Renovation Project to Effect Contractors in the amount of \$177,344;
2. Authorize the City Manager to approve change orders for 20% of the contract amount, \$35,469, for unanticipated costs during the construction phase of the project (total construction costs = \$177,344 + \$35,469 = \$212,813)
3. Appropriate \$23,313 from the Park Development Fund balance for the project.

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BACKGROUND:

The City of Arroyo Grande and Woman's Club Community Center building, located at 211 Vernon Street, serves as a social hall and meeting room rental facility for the City of Arroyo Grande. Currently, this 4,773 square foot building includes a large meeting room, men's and women's bathroom facilities, an employee office and a small kitchen, which does not adequately meet the needs of the ongoing user groups.

On February 14, 2017, the Council approved an appropriation for the kitchen renovation and approved an agreement for design services with Harris Architecture & Design. Through a series of meetings with the stakeholder's group, which consisted of representatives from the City of Arroyo Grande, the Woman's Club of Arroyo Grande, and the Arroyo Grande Lion's Club, a design plan for the kitchen renovation was developed. The plan consists of expanding the kitchen area by 105 square feet by moving out the eastern exterior wall. This expansion allows for a redesigned kitchen with increased efficiency and capacity. Improvements will include new cabinetry, appliances, electrical modifications and lighting. After completion, the facility will meet the requirements of a commercial kitchen.

ANALYSIS OF ISSUES:

On October 10, 2017, the Council approved the construction plans & specifications for the City of Arroyo Grande and Woman's Club Community Center Kitchen Renovation project and authorized the advertisement for construction bids. The architect's opinion of probable construction cost was \$117,000. On October 26, 2017, City staff and Harris Architecture & Design held a non-mandatory on-site pre-bid meeting to ensure that all potential bidders understood the project.

On November 7, 2017, six bids were received for the kitchen renovation project. The apparent low bidder did not include a bid security equal to at least ten percent of the amount bid and, therefore, was deemed non-responsive pursuant to Public Contract Code Section 20171. The second low bid, submitted by Effect Contractors in the amount of \$177,344, has been determined to be responsive and the bidder to be responsible. The architect's opinion of probable construction cost is based on previous bids received. It is believed that the bids came in higher than anticipated due to higher than expected construction labor and material prices with the economy picking up significantly over the past couple of years. While higher than anticipated, the bid is a good and reasonable bid from a reputable company.

Based on this bid, the total cost for the project is estimated at \$262,813 and is proposed to be funded as follows:

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REVENUE	
Donations	\$ 55,492
Community Center Impact	59,957
Park Development Fund (Current Appropriation)	124,051
Park Development Fund (Additional Appropriation)	<u>23,313</u>
TOTAL REVENUE	\$ 262,813
EXPENDITURES	
Construction	\$ 177,344
Construction Contingencies (20%)	35,469
City Furnished Appliances and Brick Purchase	17,000
Construction Mgt, Inspection, Advertisement	5,500
Design	<u>27,500</u>
TOTAL EXPENDITURES	\$ 262,813

The contract time is 120 calendar days with work expected to be accomplished between January and April of 2018. Recreational Services has not booked the use of the kitchen during this time frame.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendations;
2. Do not approve staff's recommendations;
3. Reject all bids and direct staff to modify the project and solicit new bids; or
4. Provide direction to staff.

ADVANTAGES:

The project will expand the kitchen area to better serve the various user groups and has the potential to generate additional rental revenues.

DISADVANTAGES:

The kitchen will be unavailable to the user groups during the construction period. An appropriation from the Park Development Fund balance could take away funding from other potential projects.

ENVIRONMENTAL REVIEW:

On October 10, 2017, the Council determined that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(e)(1) for additions to existing structures that will not result in an increase

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of more than 50 percent of the floor area of the structure before the addition, or 2,500 square feet, whichever is less, and the City Clerk filed a Notice of Exemption.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Bid Opening Log Sheet



**CITY OF ARROYO GRANDE
BID OPENING LOG SHEET**

DEADLINE: TUESDAY, NOVEMBER 7, 2017 – 10:00 AM
PROJECT NAME: CITY OF ARROYO GRANDE AND WOMEN'S CLUB
COMMUNITY CENTER KITCHEN RENOVATION PROJECT
PROJECT NO.: PW-2016-01
ESTIMATED CONSTRUCTION COST: \$117,000
ADDENDUM: #1

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
1. SW Construction Bakersfield, CA 93313	\$146,971.00
2. Effect Contractors Nipomo, CA 93444	\$177,344.00
3. RK&G Construction Santa Maria, CA 93455	\$208,100.00
4. Quincon Grover Beach, CA 93433	\$182,045.00
5. Diani Building Corp Santa Maria, CA 93458	\$237,700.00
6. J & P Construction Santa Maria, CA 93455	\$189,908.00

Glenda Boner

Glenda Boner, Administrative Secretary

C: Director of Public Works
Capital Improvement Project Manager
City Manager
City Website

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