



City Council Agenda Report
Meeting Date: April 18, 2017
Department: Public Works

SUBJECT:

CONSTRUCTION CONTRACT AWARD FOR THE CIVIC CENTER PHASE 1
ROUGH GRADING PROJECT (PW 2015.30)

RECOMMENDED ACTION(S):

1. Award a contract in the amount of \$2,440,244 to Sukut Construction, LLC, of Santa Ana, California, for the Phase 1 Civic Center Rough Grading Project (PW 2015.30).
 2. Upon receipt of the executed contract documents from Sukut Construction, reject all other bids received and authorize return of the bid bonds.
 3. Authorize the Mayor to sign, and City Clerk to attest, the contract with Sukut Construction.
 4. Adopt a Resolution entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA, AMENDING THE FISCAL YEAR 2015-17 CAPITAL IMPROVEMENTS PROJECTS BUDGET
-

EXECUTIVE SUMMARY:

The City and the Irvine Ranch Water District (“IRWD”) entered into a Development Agreement that outlines the responsibilities of each party relative to the development of the future Civic Center Site. The Development Agreement specifies the delivery of a “buildable” pad for the construction of the Civic Center by the “owner” of the Serrano Summit development. Finished street improvements for Civic Center Drive are also the responsibility of the owner. Notwithstanding, the “Self-help” provisions of the Development Agreement allow the City to advance the work ahead of the owner to facilitate the City’s Civic Center development schedule. Under this scenario, the City receives reimbursement from IRWD (or future owner) for the costs of these improvements. IRWD has hired a broker and the property is currently on the open market for sale.

The City exercised Self-help provisions in cooperation with IRWD. The City worked with Michael Baker International (“MBI”) through its existing contract with IRWD to prepare engineered construction plans and specifications for bidding the

Civic Center Phase 1 Rough Grading project. The project includes rough grading and constructing retaining walls and storm drains at the future Serrano Summit and Civic Center site. On March 30, 2017, the City received and opened nine bids ranging from \$2,440,244 to \$3,931,241 with Sukut Construction being the low bidder. After reviewing the submitted bids and checking references, staff determined that Sukut Construction is the lowest responsive and responsible bidder. Staff recommends the approval of a contract with Sukut Construction for \$2,440,244. The Engineer's Estimate for the work was \$2,785,000.

In addition, staff is recommending a budget appropriation of \$3,212,600 to be added into the current year 2015-17 CIP projects budget for the Civic Center Phase 1 Rough Grading project. The appropriation would include budget authority for construction (\$2,440,244); a 10% contingency (\$244,024); construction management (\$230,332); geotechnical services (\$148,000); environmental and restoration permitting (\$100,000); and an additional retaining wall requested by IRWD (\$50,000). Costs associated with the Civic Center Phase 1 Rough Grading project are reimbursable to the City per the approved Development Agreement. Appropriations for later phases of the project would be requested in future construction awards and included in their respective CIP Budgets.

BACKGROUND:

In 2012, the City approved the Serrano Summit Area Plan originally providing for construction of a Civic Center on 11.9 acres dedicated to the City by IRWD through the Irrevocable Offer of Dedication ("IOD") process. The land provided by IRWD is a requirement of its Development Agreement to deliver a "buildable pad" for the City's use. The Second Amendment to the Development Agreement, approved by the City Council on November 15, 2016, enables the following:

1. Provides an additional 0.67 acres to the Civic Center site necessary to build the campus structures - namely a dedicated Senior Center, Community Center, Council Chamber/Performing Arts Venue, Community Policing Center/City Hall, and single-level parking deck structure.
2. Advances first phase construction activities (i.e., rough grading, extension of Indian Ocean Drive/Civic Center Drive, construction of parking deck) to 2017.
3. Enables the City to directly oversee the preparation and certification of the Civic Center pad ("Self-help Provision").
4. Establishes timing of reimbursement for the City's advanced costs related to the development of a rough graded pad and extension of (future) Civic Center Drive.

As part of the “Acceleration and Self-help Provisions” included in Section 4(4)(D) of the Development Agreement, the City initiated the design and construction of the Civic Center site. Staff worked with MBI through its existing contract with IRWD to prepare the grading plan for the Civic Center site. The grading plan also includes the 41 acres of the remaining IRWD site.

On December 15, 2015, the City Council awarded a three-year contract to Bernards Bros., Incorporated (“Bernards”) for construction management services related to the Lake Forest Civic Center project. The City Council approved the First Amendment to the Agreement with Bernards on September 20, 2016. The amendment modified the scope of work to include preparing, bidding, and managing the rough grading of the Civic Center site, street improvements on Civic Center Drive (extension of the current Indian Ocean Drive), and construction of a single-level parking deck.

DISCUSSION:

On March 3, 2017, and March 10, 2017, the City advertised the Civic Center Phase 1 Rough Grading Request For Bid in the Orange County Register and on the City’s website. In addition, the City forwarded the bid documents to five trade journals to provide notice to potential bidders for the project. On March 15, 2017, over 30 contractors and vendors attended a mandatory pre-bid meeting. Staff issued two addendums during the bid period that addressed questions raised by the bidders.

On March 30, 2017, the City received and opened nine sealed bids. The bids ranged from \$2,440,244 to \$3,931,241 with Sukut Construction being the apparent low bidder. Staff reviewed and analyzed the bids for mathematical errors (Attachment 1). Staff discovered and corrected one minor mathematical error in one of the nine bids (fifth lowest bidder). However, this error did not affect the determination of the lowest apparent bidder or change the order of the bids. The submitted bids are as follows:

Bidder	Bid Amount
1. Sukut Construction, LLC	\$2,440,244.00
2. James McMinn, Inc.	\$2,586,137.50
3. Atfillisch Contracting Inc. dba ACI	\$2,685,945.00
4. Earth Construction & Mining	\$3,038,632.75
5. Elite Earthworks Engineering dba	\$3,220,495.00*
6. Crew, Inc.	\$3,301,972.95
7. Griffith Company	\$3,844,180.00
8. H&H General Contractors	\$3,895,474.95
9. C.W. Crosser Construction	\$3,931,241.00
Engineer’s Estimate	\$2,785,000.00
*Corrected amount	

As part of its scope of work for construction management, Bernards provided a detailed cost estimate for the project at \$2,785,000. Staff examined the bids in detail comparing the unit price with the Engineer's Estimate and concluded that the contractors' bids are reasonable.

Staff recommends the City Council determine Sukut Construction is the lowest responsive, responsible bidder for this project. Staff received favorable comments from references for work previously completed by Sukut Construction for Orange County Public Works and the City of Tustin (Attachment 2). In July 2012, Sukut Construction successfully completed the \$7.7 million Alton Parkway Gap Closure between Commercentre Drive and Rancho Parkway for the City. Staff also confirmed that Sukut Construction has a valid Class A Contractor's License as required in the bid specifications for this project.

The major elements of the construction will consist of grading approximately 577,000 cubic yards, constructing 10,900 square feet of mechanical stabilized earth ("MSE") retaining wall, and installing 1,900 linear feet of the storm drain system. Upon award of the construction contract, staff anticipates construction would begin in May 2017. The construction contract specifies 86 working days with an anticipated completion in the Fall 2017. Costs associated with the Civic Center Phase 1 Rough Grading project are reimbursable to the City per the approved Development Agreement by the owner of Serrano Summit after the property is sold and in accordance with the self-help provisions.

In accordance with the City's Contract and Purchasing Guidelines, the Finance Department prepared the contract and the City Attorney's office reviewed and approved the agreement as to form (Attachment 3). The contract amount, based on the estimated quantities, is \$2,440,244. Section 3.3.4 of the contract authorizes the City Manager to approve extra work up to 10% to the contract amount (\$244,024). Additional work in excess of the 10% amount would require City Council approval.

The entire construction contract including the bid documents, contract, specifications, and plans, are available for review in the Office of the City Clerk and will be made available in the City Council Chambers before and during the City Council meeting, and on the City's website. For the City Council's reference, staff has attached the approved signed title sheets from the Grading Plans for the project (Attachment 4).

FISCAL IMPACT:

Staff is recommending a budget appropriation of \$3,212,600 to be added into the current year 2015-17 CIP projects budget for the Civic Center Phase 1 Rough Grading project. The appropriation would include budget authority for construction (\$2,440,244); a 10% contingency (\$244,024); construction management (\$230,332); geotechnical services (\$148,000); environmental and restoration permitting (\$100,000); and an additional retaining wall requested by IRWD (\$50,000). Costs associated with the Civic Center Phase 1 Rough Grading project are reimbursable to the City per the approved Development Agreement. The source of funding for this project is Developer Impact Fees.

ATTACHMENTS:

1. Bid Analysis
2. Reference Check
3. Sukut Construction Contract
4. Signed title sheet for plans
5. City Council Resolution 2017-XX

Initiated By: Angel Fuertes, P.E., Engineering Manager / Assistant City Engineer
Submitted By: Thomas E. Wheeler, P.E., Director of Public Works / City Engineer
Keith D. Neves, Deputy City Manager/Director of Finance
Approved By: Debra Rose, Interim City Manager