



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: October 6, 2020

Agenda Item 60c
Approvals:
City Manager _____
Dept. Head OTB
Attorney _____
Finance JW

Department: Public Works / Engineering Division
Prepared By: Chris Tanio, Associate Civil Engineer

Subject: *CITY COUNCIL ACCEPTANCE AND NOTICE OF COMPLETION FOR THE NEGOCIO BUILDING FIRST FLOOR RENOVATION, PROJECT No. 18804.*

Fiscal Impact: Yes. The project cost totaled \$2,934,259, and is within the approved budget of \$3,039,700.

Summary: Acceptance and Notice of Completion for PCN3, Inc. for successful completion of contract work for the Negocio Building First Floor Renovation located at 910 Calle Negocio (Attachment 1).

Background: On November 7, 2018, the City Council awarded a construction contract to PCN3, Inc. (Attachment 2, excluding report attachments) for the Negocio Building First Floor Renovation project. The project consisted of a new public counter area relocated to the front of the building (Calle Negocio side), community conference room and visitors lobby, ADA compliant restrooms, lighting, heating, ventilation, and air conditioning units (HVAC), electrical wiring and data cabling, and new flooring and ceilings. When City Hall opens back up to the public after being closed as a result of the coronavirus pandemic, this renovation will provide an improved experience for the public seeking various services at City Hall.

The project was originally scheduled for completion in late 2019, however, was delayed due to unforeseen construction conditions encountered throughout the various project phases. As a result of these unforeseen conditions, the project construction contingency was increased on June 18, 2019 and on December 17, 2019 (Attachment 3 and 4, respectively). A detailed summary of the total expenditures is provided below:

Arch/Eng Design Support Services	\$ 60,169
Construction Management & Inspection	126,375
Construction	2,244,619
Construction Contingency (~22%)	503,096
Total Project Cost	\$2,934,259

Recommended

Action: STAFF RECOMMENDS THAT the City Council:

1. Accept the construction of the Negocio Building First Floor Renovation, Project No. 18804;

2. Authorize the Public Works Director/City Engineer to execute and record the Notice of Completion (Attachment 5) for the Negocio Building First Floor Renovation, Project No. 18804;
3. Authorize the City Clerk to release the Payment Bond 35 days from the recordation of the Notice of Completion upon verification with the Engineering Division that no liens have been levied against PCN3, Inc.; and
4. Authorize the City Clerk to release the Performance Bond upon receipt of a Warranty Bond in the amount of 25% of the construction cost.

- Attachments:**
1. Location Map
 2. Notice of Award Agenda Report
 3. June 18, 2019 Agenda Report
 4. December 17, 2019 Agenda Report
 5. Notice of Completion

Notification: None.

s:\cd\engineering\secure\admin\2020\10-6-20\10-6-20-3r.docx



City of San Clemente

910 Calle Negocio, Suite 100
San Clemente, CA 92673
Tel (949) 361-6100
Fax (949) 361-8316

City of San Clemente

Location Map for PN 18804

Negocio Building First Floor Renovation

 **Project Location**



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: November 7, 2018

Agenda Item 6-E
 Approvals:
 City Manager es
 Dept. Head MB
 Attorney _____
 Finance AT

Department: Public Works / Engineering Division
Prepared By: Ken Knatz, Principal Civil Engineer/Asset Manager KK

Subject: **CONSTRUCTION CONTRACT AWARD TO PCN3, INC. FOR THE NEGOCIO BUILDING FIRST FLOOR RENOVATION, PROJECT NO. 18804.**

Fiscal Impact: Yes. There is \$2,228,177 budgeted for the proposed \$2,689,700 expenditure. Additional funding in the amount of \$461,523 is required. It is proposed that the remaining project budget of \$298,940 from the City Hall Feasibility Study project be transferred to fund a portion of this cost. The remaining cost of \$162,583 would be funded with equal contributions from the General Fund and the Civic Center Reserve Fund.

Summary: Staff recommends approval of a construction contract with PCN3, Inc. for a total amount of \$2,244,618.60 for the Negocio Building First Floor Renovation.

Background Consolidation of City Hall operations to the 910 Calle Negocio Building (Negocio - see location map in Attachment 1) was approved in the City's 2017 Long Term Financial Plan (LTFP). On August 15, 2017, the City Council hired Gensler Architects to design renovation needs of the Negocio building first and third floors to integrate City operations to the consolidated facility. The project team worked with stakeholder division representatives to evaluate numerous concepts and layouts as the basis for Gensler to develop final construction plans and specifications for the work. City Hall staff have moved from the Presidio location to the Negocio third floor, and a new large conference room on the third floor is nearing completion to complete the initial phase of the consolidation effort.

Discussion: The next phase of work involves a comprehensive renovation of the Negocio Building first floor which houses the Community Development Department (including Administration, Planning, Building and Code Enforcement Divisions) and Public Works Department (Administration and Engineering Divisions). The first floor renovation includes the following key components:

- New public counter area relocated to the front of the building (Calle Negocio side);
- New community conference room and visitor lobby at the rear entrance of the building (Avenida Pico side);
- New ADA compliant restrooms;
- New expanded kitchen area;
- New title 24 energy compliant lighting throughout;
- Replacement of first floor heating, ventilation and air conditioning units (HVAC);
- Replacement and upgrade of main line plumbing systems;

- New and relocated electrical wiring and data cabling; and
- New flooring, wall and ceiling treatments.

This renovation will provide an improved experience for the public seeking various City Hall services, and provide necessary building improvements to this nearly 30-year old facility. The first floor renovation work will be completed in three separate stages to minimize impact to the public and City operations. The entire project is planned for completion in late 2019.

The project was advertised for public bidding via the City's PlanetBids system. Ten electronic bids were received on July 27, 2018 with costs ranging from \$1,556,000 to \$3,189,000 (refer to Bidder's listing in Attachment 2). The apparent low bid of \$1,556,000 was submitted by Handy Industrial (Handy) of Oceanside, CA. On October 1st, the City received a bid protest from the 2nd low bidder, PCN3, Inc. (PCN3), indicating that Handy was not properly licensed to self perform certain trades included in the scope of work and did not list subcontractors for these trades as required by law (see Attachment 3). Upon detailed review of the apparent low bid and a follow up phone conversation with Handy, it is evident that certain items included in the project scope of work were not properly bid by Handy in their bid proposal. This is the primary basis for the \$600,000 discrepancy between the apparent low and 2nd low bid. The 2nd through 4th bidders all appear to be competitive, being within \$200,000 of each other. Based on these findings, staff has deemed the apparent low bid submitted by Handy as non-responsive, and recommends that a contract in the amount of \$2,244,618.60 be awarded to the lowest responsive and responsible bidder, PCN3.

Based on the low bid; project costs are estimated as follows:

Arch/Eng Design Support Services	\$ 60,000
Construction Management and Inspection	160,000
Construction	2,244,619
Construction Contingency (~10%)	<u>225,000</u>
Total Estimated Project Cost	\$2,689,700(rounded up)

Construction assistance from the Architect and Engineer is proposed to ensure the project can be delivered by the contractor while adhering to the basis of design provided for in the approved project plans and specifications. As a result, staff negotiated a scope of work with Gensler for Architectural and Engineering design support services on a time and material basis in the amount of \$60,000. The scope of work includes site visits, progress meetings, submittal reviews and design clarifications or updates to progress the work to completion through the phased construction.

There is \$2,228,177 budgeted for the project. Additional funding of \$461,523 is needed to cover the total Estimated Project Cost including soft costs and contingencies. A budget transfer of \$298,940 from the City Hall Feasibility Study project, an existing capital project, is proposed to provide a portion of the needed funding. The feasibility study is no longer needed with the consolidation to the Negocio building, therefore, these remaining project funds could be applied to complete the

consolidation project. The remaining funding needs would require a supplemental appropriation of \$162,583, funded by equal contributions from the General Fund (\$81,292) and the Civic Center Reserve Fund (\$81,292).

Furnishings (e.g. work stations, chairs, etc.) are not included with this construction work or within the noted project budget. Staff will return to seek City Council approval of a separate contract under this project, along with required budget appropriations, in order to purchase and install furnishings which will be similar to those installed in the third floor City offices. The cost for first floor office furnishings would be funded with equal contributions from the General Fund and the Civic Center Reserve Fund.

It should also be noted that the first floor renovation project includes replacement of twenty one HVAC units. Due to this, the separate Negocio HVAC Replacement Project will be closed out. The remaining project funds of approximately \$157,000 will be returned to the Facilities Maintenance Fund for future General Fund maintenance project needs.

As required by City Policy and State Law, the Contractor will be required to provide performance and payment bonds simultaneously with execution of the construction contract. A warranty bond will also be required prior to City Council acceptance of the project.

Recommended**Action:**

STAFF RECOMMENDS THAT the City Council:

1. Approve Plans and Specifications for the Negocio Building First Floor Renovation, Project No. 18804;
2. Approve transfer of funds from Account Nos. 001-203-45300-000-38501 (City Hall Feasibility Study) in the amount of \$298,940 to Account No. 001-203-45800-000-18804 (Negocio Building First Floor Renovation);
3. Approve a supplemental appropriation of \$81,292 from General Fund Unassigned Fund balance to Account No. 001-203-45300-000-18804 (Negocio Building First Floor Renovation);
4. Approve a supplemental appropriation and a transfer of \$81,292 from the Public Facilities Fee Fund - Civic Center Construction Fund to Account No. 001-203-45300-000-18804 (Negocio Building First Floor Renovation);
5. Approve and authorize the Mayor and/or City Manager to execute, First Amendment to Contract No. 17-33 by and between the City of San Clemente and Gensler providing for Architectural and Engineering Construction Support Services for the Negocio Building First Floor Renovation. This Amendment increases the contract amount from \$160,000 to \$220,000 (an increase of \$60,000); and

6. Approve and authorize the Mayor and/or City Manager to execute, Contract _____, in the amount of \$2,244,618.60 by and between the City of San Clemente and PCN3, Inc., providing for construction of the Negocio Building First Floor Renovation, Project No. 18804.

Attachments:

1. Location Map
2. Bidder's Listing
3. PCN3, Inc. Bid Protest

Notification: None.

s:\od\engineering\secure\admin\2018\10-16-18\10-16-18-10r.docx



Agenda Item 6E

Approvals:

City Manager [Signature]

Dept. Head [Signature]

Attorney SS

Finance [Signature]

AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: August 20, 2019

Department: Public Works
Prepared By: Chris Tanio, Associate Civil Engineer

Subject: *PHASE I MOVING EXPENSES FOR 910 CALLE NEGOCIO BUILDING ARCHITECTURAL SERVICES, PROJECT No. 18804.*

Fiscal Impact: None. There is adequate funding for the proposed \$36,000 expenditure within the project budget.

Summary: This report requests City Council approval to utilize \$36,000 of the \$160,000 construction management and inspection funds to cover expenses associated with moving staff into the completed first phase of the Negocio Building First Floor Renovation project.

Discussion: In its October 2018 City Council meeting, the City authorized \$160,000 to be used for construction management and inspection services. Since these services are not anticipated to exceed the authorized amount, staff is recommending to utilize \$36,000 of the \$160,000 construction management and inspection funds to cover expenses associated with moving staff into the completed first phase of the Negocio Building First Floor Renovation. Coast Valley Moving and Storage will perform the moving activities and has successfully completed moving for the City prior to the project's first phase in late November 2018 and also during the relocation of staff from the Old City Hall to 910 Calle Negocio in March 2018. The moving expenses include moving supplies, equipment, and furniture to the completed first phase of the Negocio Building First Floor Renovation. With Council's approval, staff will reduce the existing purchase order amount by \$36,000 for construction management services with Dudek, and issue a new purchase order in the amount of \$36,000 (includes \$3,000 contingency) with Coast Valley Moving and Storage.

Recommended

Action: STAFF RECOMMENDS THAT the City Council approve re-directing \$36,000 from the Negocio remodel construction management and inspection budget for use on first phase moving expenses via a purchase order with Coast Valley Moving and Storage.

Attachment: None.

Notification: None.

s:\cd\engineering\secure\admin\2019\8-20-19\8-20-19-12r.docx



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: December 17, 2019

Attachment 4

Agenda Item 6J

Approvals:

City Manager [Signature]

Dept. Head [Signature]

Attorney [Signature]

Finance [Signature]

Department: Public Works
Prepared By: Tom Bonigut, Public Works Director/City Engineer

Subject: *SUPPLEMENTAL APPROPRIATION FOR 910 CALLE NEGOCIO BUILDING REMODEL, PROJECT No. 18804.*

Fiscal Impact: Yes. The recommended actions will reduce the General Fund balance by \$180,000 and the Civic Center Construction Fund balance by \$180,000.

Summary: Staff recommends City Council approval of a supplemental appropriation and transfer of funds to provide for \$360,000 in estimated additional project costs.

Discussion: The first phase of the Negocio Building First Floor Remodel project was successfully completed this past August which includes a new public counter area and offices for Planning and Code Enforcement Divisions, as well as Utility Billing staff. The current phase under construction includes the future area for the Engineering Division and the northern half of the lobby entrance to the elevator, which will be completed by the end of January 2020. The final phase includes remodeling the area for Community Development Department and Building Division staff, and this phase is scheduled to be completed by the end of March 2020. During the course of the second phase work, additional unforeseen construction conditions have arisen which were not anticipated and not included in the project plans and specifications. Examples include: 1) application of fireproofing spray on steel deck areas previously not covered in original building construction; 2) additional concrete grinding of uneven floor areas in order to receive new flooring; 3) disconnecting shared electrical circuitry between project phases; 4) electrical work for public counter television monitors and increased light fixture coverage at the Building and Planning counter areas; and 5) security system wiring for upgraded electric door hardware. Staff anticipates similar needs will be encountered in the final phase of work. The cost for the needed second phase extra work and anticipated final phase work is estimated at \$150,000. To help minimize cost increases, staff has been closely reviewing and making changes where possible to construction details and methods. For example, the application method for final wall finishes was changed to provide a similar final appearance but at reduced cost. Also, planned ceiling height changes were eliminated, and additional needed sewer line repairs were completed by maintenance staff.

In addition to the extra construction costs noted above, staff estimates a cost of up to about \$210,000 to furnish the remaining office and conference room areas with cubicle walls, desks, cabinets, tables and chairs. Thus the estimated total additional cost to complete the Negocio building renovation (1st and 3rd floors) is about \$360,000, which

would be split equally with supplemental appropriations from the General Fund and Civic Center Construction Fund.

The current total approved project budget is \$3.69 million. This includes the original project budget of \$3.0 million estimated in the 2018 Long Term Financial Plan, and increases approved since then, most significantly in November 2018 when Council approved an increase of about \$462,000 due to a higher than estimated construction bid. The Fiscal Year 2019-2020 budget included an additional \$200,000 for additional needed construction costs, and moving expenses of \$27,000 were also added to the budget. With the recommended action, the total project budget would increase to \$4.05 million.

**Recommended
Action:**

STAFF RECOMMENDS THAT the City Council:

1. Approve a transfer of \$180,000 from the General Fund undesignated fund balance to Account No. 001-203-45300-000-18804 (910 Calle Negocio Building Remodel Project No. 18804);
2. Approve a transfer of \$180,000 from the Public Facilities fee Fund – Civic Center Construction Fund undesignated fund balance to Account No. 001-203-45300-000-18804 (910 Calle Negocio Building Remodel Project No. 18804); and
3. Approve an increase of \$150,000 to the existing contingency for Construction Contract No. C18-56.

Attachment: None.

Notification: None.

s:\odl\engineering\secure\admin\2019\12-17-19\12-17-19-1r.docx

Recording Requested By:
City of San Clemente

When Recorded, Mail To:
Public Works Department
City of San Clemente
910 Calle Negocio
San Clemente, CA 92673

Recorded for the benefit of the City of San Clemente and exempt from recording fees pursuant to Government Code Section 27383.

Space above this line is for Recorder's Use Only

NOTICE OF COMPLETION

Notice is hereby given by the City of San Clemente, a Municipal Corporation, that a public work of improvement has been completed as follows:

1. *Project title or description of work:* Negocio Building First Floor Renovation, Project No. 18804.
2. *Date of completion:* October 6, 2020.
3. *Street address or legal description of the project site:* 910 Calle Negocio, San Clemente, CA 92673.
4. *Name of owner:* City of San Clemente.
5. *Interest or estate of owner:* Public Facility; Owned in Fee.
6. *Address of owner:* 910 Calle Negocio, Suite 100, San Clemente, CA 92673
7. *Name and address of contractor:* PCN3, Inc., 11082 Winners Circle, Unit B, Los Alamitos, CA 90720

I am the Public Works Director/City Engineer for the City of San Clemente, a Municipal Corporation, the owner of the indicated interest or estate in the property described above. I make this verification on behalf of the City of San Clemente. I have read this Notice of Completion and know its contents. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ in San Clemente, California.

Tom Bonigut, Public Works Director/City Engineer
City of San Clemente