



AGENDA REPORT

CITY OF SAN CLEMENTE

CITY COUNCIL MEETING

910 Calle Negocio
2nd Floor
San Clemente, California
www.san-clemente.org

Meeting Date: November 19, 2024

Agenda Item: 111

Submitted By: Public Works

Prepared By: Belgin Cuhadaroglu, Senior Civil Engineer

Subject:

CONSIDERATION OF A RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO PANTHEON DIVERSIFIED, INC. FOR LIFEGUARD TOWERS REPLACEMENT (2024), CIP PROJECT NO. 22104, AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT IN THE AMOUNT OF \$115,000, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Fiscal Impact:

The estimated construction cost of \$142,250 is within the approved available budget of \$256,960 from the General Fund, Lifeguard Towers Replacement (2024), Account No. 001-641-45700-000-22104. By re-bidding the project with a different scope, the City will be able to achieve costs savings with this contract, which represents a reduced unit cost per building from \$72,200 to \$38,333.

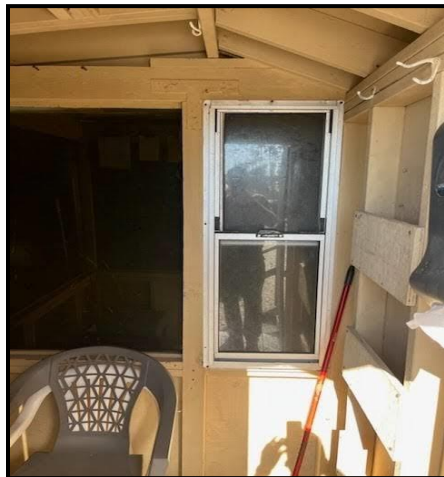
Summary:

Before the City Council is the award of a construction contract to Pantheon Diversified, Inc. for the replacement of three Lifeguard Towers that are nearing the end of their useful lives in the amount of not-to-exceed \$115,000, and approval of a 15% project contingency.

Background:

The beaches in San Clemente accommodate approximately 2.6 million visitors each year. The Marine Safety Department has responsibility for the provision of visitors safety and water related lifeguard services. To maintain and enhance emergency responses, lifeguard towers are utilized by staff for improved visibility and containment of safety equipment. Currently, lifeguards utilize 11 towers, ten wooden and one fiberglass, of which, nine are nearing the end of their useful life.





Staff is recommending the new replacement towers be constructed from wood due to staff preference, improved safety, and challenges with obtaining replacement parts for fiberglass towers. Additional funding for replacement of the towers has been budgeted and recommended in Fiscal Years 2025/2026, 2026/2027, and 2027/2028, in the total amount of \$550,000. The City is planning to replace 2-3 towers that are nearing the end of their useful lives each year, depending upon the available of funding.

The City originally conducted formal competitive bidding for four lifeguard tower replacements and received bids on November 28, 2023 with a price from the lowest responsive of \$288,800 for the construction of four towers (or unit cost per building of \$72,200). After further evaluation, staff recommended a different scope of work including building adequately sized lifeguard towers (i.e., larger space) and providing a work area for the contractor near the Marine Safety HQ Building that would eliminate transportation challenges and costs. On September 17, 2024, the City Council approved rejecting the bids received on November 28, 2023, and directed staff to re-bid the project.

City staff modified the scope of work and prepared a bid package for the replacement of the two lifeguard towers plus one alternate tower, notified local contractors, and advertised the project for competitive bidding on the PlanetBids website and in the SC Times. Three bids were received on October 31, 2024, ranging from \$79,450 to \$141,700 for the Base Bid and from \$35,000 to \$61,800 for the one alternate bid item as shown on the table below.

Vendor Name	City	Base Bid (\$)	Alternate (\$)
Pantheon Diversified, Inc	San Clemente	79,450	35,550
Rasmussen Brothers Construction, Inc	Fallbrook	89,600	44,800
Monarch Construction	San Clemente	141,700	61,800

Staff is recommending awarding the contract based on the lowest base bid (i.e., two towers) as well as awarding the alternate bid (i.e., one tower), the total estimated project construction cost for three tower replacements is summarized below:

Project Management and Administration	\$ 10,000
Construction Contract	115,000
<u>Contingency (15%)</u>	<u>17,250</u>
Total Estimated Construction Costs	\$142,250

As required by state law and City policy, the Contractor will be required to provide performance and payment bonds simultaneously with execution of the construction contract (Attachment 2). Project plans and specifications are on file in the City Clerk's office.

Council Options:

- Adopt Resolution No. 24-181 (Attachment 1), awarding a construction contract to Pantheon Diversified, Inc. for construction of Lifeguard Towers Replacement (2024), authorizing the City Manager to execute a construction contract in an amount of \$115,000; approving a 15% project contingency of \$17,250, and finding the project categorically exempt from CEQA.
- Modify and adopt Resolution No. 24-181.
- Continue the item and direct staff to provide additional information.
- Do not adopt Resolution No. 24-181 and put the project on hold.

Environmental Review/Analysis:

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Class 2 of the State CEQA Guidelines, Section 15302 – Replacement of Existing Facilities, since it consists of replacement of existing lifeguard towers where the new towers will be located on the same site as the towers replaced and will have substantially the same purpose and capacity.

Recommended Actions:

Staff Recommendation

Staff recommends that the City Council adopt Resolution No. 24-181, which will:

1. Find the Lifeguard Towers Replacement (2024), CIP Project No. 22104, categorically exempt from the California Environmental Quality Act (CEQA) under Class 2 of the State CEQA Guidelines, Section 15302;
2. Award the Lifeguard Towers Replacement (2024), CIP Project No. 22104, construction contract to Pantheon Diversified, Inc. as the lowest responsible and responsive bidder;
3. Authorize the City Manager to execute a construction contract with Pantheon Diversified, Inc. in the amount of \$115,000, in a form substantially similar to Contract No. C24-71 (Attachment 2); and
4. Approve a 15% project contingency of \$17,250.

Attachment:

1. Resolution 24-181
2. Draft Contract C24-71

Notification:

All Bidders

RESOLUTION NO. 24-181

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AWARDING A CONSTRUCTION CONTRACT TO PANTHEON DIVERSIFIED, INC. FOR LIFEGUARD TOWERS REPLACEMENT (FY 2024), CIP PROJECT NO. 22104, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH U.S. BUILDERS AND CONSULTANTS, INC. IN THE AMOUNT OF \$115,000, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER CLASS 2 OF THE CEQA GUIDELINES SECTION 15302 (REPLACEMENT OF EXISTING FACILITIES, 14 CCR SECTION 15302)

WHEREAS, the City's beaches are served from 11 lifeguard towers that are near the end of their useful life and are in need of repairs; and

WHEREAS, the City originally conducted formal competitive bidding for four lifeguard towers replacements and received bids on November 28, 2023; and

WHEREAS, after further evaluation, staff recommended a different scope of work: building large lifeguard towers versus small towers and inclusion of a work area near Marine Safety HQ Building for contractors to build the lifeguard towers on site, thus eliminating the transportation challenges and costs; and

WHEREAS, on September 17, 2024, the City Council approved rejecting all bids received on November 28, 2023, and directed staff to re-bid the project with the modified scope of work; and

WHEREAS, the City conducted formal competitive bidding for the Lifeguard Towers Replacement (FY 2024), CIP Project No. 22104 (Project), with the modified scope of work; and

WHEREAS, on October 31, 2024, based on base bid, the City received three bids ranging from \$79,450 to \$141,700 for the Project; and

WHEREAS, the lowest responsive and responsible bidder was Pantheon Diversified, Inc. of San Clemente, California, in the amount of \$115,000, based on the low base bid and the alternate bid item.

NOW, THEREFORE, the City Council of the City of San Clemente does

hereby find, determine and resolve as follows:

SECTION 1. That the above recitations are true and correct and incorporated herein.

SECTION 2. That based on the record as a whole, the Lifeguard Towers Replacement, Project No. 22104, is categorically exempt from the California Environmental Quality Act (CEQA) under Class 2 (Replacement or Reconstruction, 14 CCR section 15302) of the State CEQA Guidelines because it consists of replacing existing public structures or facilities, involving negligible or no expansion of an existing or former use and there is no possibility of a direct or foreseeable indirect significant impact on the environment.

SECTION 3. That the lowest responsive and responsible bidder for the base bid was Pantheon Diversified, Inc., in the amount of \$115,000, and the construction contract for the Lifeguard Towers Replacement (FY 2024) CIP Project No. 22104, is hereby awarded to Pantheon Diversified, Inc.

SECTION 4. That the City Manager is authorized and directed to execute a construction contract with Pantheon Diversified, Inc. in the amount of \$115,000 for the Lifeguard Towers Replacement (FY 2024), CIP Project No. 22104, in a form substantially similar to that presented to the City Council on November 19, 2024.

SECTION 5. That a 15% project contingency in the amount of \$17,250 is hereby approved.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this _____ day of _____, 2024.

ATTEST:

City Clerk of the City of
San Clemente, California

Mayor of the City of San
Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §
CITY OF SAN CLEMENTE)

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. 24-181 was adopted at a regular meeting of the City Council of the City of San Clemente held on the _____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this _____ day of _____, _____.

CITY CLERK of the City of
San Clemente, California

Approved as to form:

Elizabeth A. Mitchell, City Attorney

**SECTION 00500
CONTRACT**

THIS CONTRACT is made this ____ day of _____, 2024, in the County of Orange, State of California, by and between the City of San Clemente hereinafter called City, and Pantheon Diversified, Inc., a California corporation, located at 3 Albergar, San Clemente, CA 92672 hereinafter called Contractor. City and the Contractor for the considerations stated herein agree as follows:

ARTICLE 1. SCOPE OF WORK. The Contractor shall perform all Work within the time stipulated the contract and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Article 5 below for the following Project:

LIFEGUARD TOWERS REPLACEMENT (FY 2024), P.N. 22104

The Contractor and its surety shall be liable to City for any damages arising as a result of the Contractor's failure to comply with this obligation.

ARTICLE 2. TIME FOR COMPLETION. The Work shall be commenced on the date stated in City's Notice to Proceed. The two towers must be delivered to the site or fully assembled within 60 working days from the date specified in the written Notice to Proceed. The alternate item, 3rd tower must be delivered to the site or fully assembled within 90 working days from the date specified in the written Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

ARTICLE 3. CONTRACT PRICE. City shall pay to the Contractor as full compensation for the performance of the Contract and the Work, which includes everything that is reasonably foreseeable related thereto, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of one hundred fifteen thousand dollars (\$115,000). Payment shall be made as set forth in the General Conditions.

At any time during the term of the Contract, City may, pursuant to the terms and provisions of the Contract Documents, request that the Contractor perform additional work. Contractor shall not perform, nor be compensated for, additional work without written authorization from the City pursuant to the terms and provisions of the Contract Documents.

ARTICLE 4. LIQUIDATED DAMAGES/EARLY COMPLETION INCENTIVE. In accordance with Government Code section 53069.85, it is agreed that the Contractor will pay City the sum of \$500 for each and every calendar day of delay, for each tower, which is beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event that Liquidated Damages are not paid, the Contractor agrees City may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

ARTICLE 5. COMPONENT PARTS OF THE CONTRACT. The "Contract Documents" include the following:

Contract
Bid Form

Contractor's Certificate Regarding Workers' Compensation
Bid Bond
Non-Collusion Declaration form
Information Required of Bidders
Designation of Subcontractors
Iran Contracting Act Certification
Public Works Contractor Registration Certification
Performance Bond
Payment Bond
General Conditions
Special Conditions
Technical Specifications
Plans and Drawings
Addenda
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

ARTICLE 6. PROVISIONS REQUIRED BY LAW. Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Project.

ARTICLE 7. INDEMNIFICATION. Contractor shall provide indemnification as set forth in the General Conditions.

ARTICLE 8. PREVAILING WAGES. Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at Office of City Clerk or may be obtained online at <http://www.dir.ca.gov/dlsr> and which must be posted at the job site.

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed effective on the day and year above written.

CITY OF SAN CLEMENTE

By: _____
Andy Hall, City Manager

Dated: _____, 2024

ATTEST:

CITY CLERK of the City of
San Clemente, California

APPROVED AS TO FORM:

Elizabeth A. Mitchell, City Attorney

**APPROVED AS TO AVAILABILITY
OF FUNDING:**

Finance Authorization

**PANTHEON DIVERSIFIED, INC.
("CONTRACTOR")**

By: _____
John A. Diponio, President/CEO/CFO

Dated: _____, 2024

By: _____
Gwendolyn Dale Diponio, Secretary

Dated: _____, 2024

END OF CONTRACT