



STAFF REPORT
1/26/2022

TO: Honorable Mayor and City Council Members

FROM: Andrew Simmons, P.E., City Engineer

SUBJECT: Construction Contract with Desert Concepts Construction Inc. in the amount of \$3,083,148.50 and 10% for contingency for the construction of the Pueblo Viejo Sustainable Transportation Project, City Project ST-130.

STAFF RECOMMENDATION:

- Authorize the City Manager to execute a construction contract with Desert Concepts Construction, Inc. in the amount \$3,083,148.50 and 10% for contingency for the construction of the Pueblo Viejo Sustainable Transportation Project, City Project ST-130.
- Authorize City Manager to execute a contract for construction materials and quality assurance testing with Atlas Engineering (On-Call Consultant) in the amount of \$15,000.
- Authorize City Manager to execute a contract Amendment with Egan Civil Engineering to perform construction phase engineering services, including construction staking and support.

BACKGROUND:

In October of 2020, the City entered into a grant agreement with an Infill Infrastructure Grant (IIG) program, which also supplements an Affordable Housing and Sustainable Communities (AHSC) program grant. These two grants provide approximately 3.4 million in funding and are allocated under City project number ST-130. These grant funds are to be used on infill infrastructure improvements in the downtown Pueblo Viejo District. Improvements included in the grant funding include curbs, gutters, sidewalks, bike lanes, lighting, electrical undergrounding, public plaza improvements, landscaping and ADA improvements.

On January 27, 2021, the City Council approved a professional services agreement with Egan Civil, Inc. to develop final plans, specifications and estimates for the Pueblo Viejo Sustainable Transportation Project in the amount of \$182,000.

During the design process, it was determined that portions of the Pueblo Viejo Sustainable Transportation project overlapped portions of the Fire Station #79 Rehabilitation and Expansion project (F-7). As a result, the design and bid documents intentionally included \$250,000 of additional improvements that are portions of the Fire Station project. These additional improvements include additional undergrounding of overhead electrical on Palm Ave, full removal and reinstallation of the driveways and flat work at the fire station frontage and installation of

electrical transformers, switch gear and building upgrades to accommodate the new underground service. Staff determined that this work could be performed at a more cost effective price point if performed in connection with the Pueblo Viejo Sustainable Transportation Project.

DISCUSSION/ANALYSIS:

The City requested public bids in accordance with City Standards and in compliance with the California Public Contract Code. On November 2, 2021, the City issued the Notice Inviting Bids with a non-mandatory job walk held on November 16, 2021. The project bid opening was held on December 1, 2021 at 2:00 p.m., with four companies submitting bids for this project. The bid opening results are listed below:

Company Name:	Bid Amount:
Desert Concepts Construction, Inc.	\$3,083,148.50
Granite Construction	\$3,202,023.00
C.S. Legacy	\$3,985,269.50
LA Engineering	\$4,399,900.00

This total project cost includes all base bid items as well as three add alternative bid items. The three bid add alternative items include new sidewalks on the north side of First Street, new sidewalks on the west side of Pendleton drive and a new block wall along the entire northern side of the new 5th street paseo. Staff has reviewed the bids and has determined that Desert Concepts Construction, Inc. is the lowest, responsive, responsible bidder. However, due to the current high construction cost from the COVID-19 pandemic, the project budget exceeds the amount of grant funds received:

Project Item:	Project Cost:	Project Revenue:
Architectural Design – Egan Civil	\$181,938	
Construction -	\$3,083,148.50	
Construction Contingency (10%)	\$308,314.50	
ATLAS Engineering materials testing	\$15,000	
Construction Engineering	\$25,000	
TOTAL CONSTRUCTION PROJECT COST:	\$3,613,401.00	
IIG – Grant		\$2,460,000
AHSC – Grant		\$696,500
CIP project F-7		\$250,000
CONSTRUCTION COST DIFFERENCE:	\$206,901	
LAND ACQUISITION		
AHSC – Grant funds for land aquisition		\$500,000
LAND ACQUISITION COST DIFFERENCE:	\$349,912	

The project total project cost is proposed to be paid with: \$2,460,000 in remaining IIG grant funds, \$696,500 in AHSC grant funds, \$250,000 from CIP project F-7, and the remaining project cost

difference of \$556,813 (which includes both construction contingency and land acquisition costs) is proposed to be funded with an appropriation from Fund 101 – General Fund.

Per section E or article 27 of the Project Specifications for the project, Granite Construction submitted a bid protest on December 3rd, 2021. City staff performed an independent factual inquiry of the bid protest with a review of applicable law. Upon conclusion of this examination, the protest was found to offer no persuasive (or lawful) reason why public policy would favor awarding the contract to Granite Construction at a higher cost than Desert Concepts responsive bid. For that reason, the protest was denied and a bid protest denial letter, dated December 15th, 2021 was returned to Granite Construction.

FISCAL IMPACT:

The Pueblo Viejo Sustainable Transportation Project (ST-130) is proposed to be funded with the following grants and appropriations with the following allocations:

- IIG (Fund 152)- \$2,460,000
- AHSC (Fund 152)- \$696,500
- City Project F-7 (Fund 130)- \$250,000
- Coachella (Fund 101) - \$556,813

These appropriations will replace current budgeted appropriations adopted in the FY 21/22 CIP budget. With this action, Council will be approving all necessary transfers between the appropriated funds above and the City's CIP Fund (182).

ATTACHMENTS:

1. Construction Contract – Desert Concepts
2. Bid Summary – ST-130