



Folsom City Council Staff Report



MEETING DATE:	6/13/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11052 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with RBH Construction, Inc. for the Community Development Department Permit Counter Project and Appropriation of Funds
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to adopt Resolution No. 11052- A Resolution Authorizing the City Manager to Execute a Construction Agreement with RBH Construction, Inc. for the Community Development Department Permit Counter Project and Appropriation of Funds.

BACKGROUND / ISSUE

The Community Development Permit Center has not been updated in over 25 Years. In an effort to modernize and streamline the planning and permitting processes, the Community Development Department applied for and received a grant of \$310,000 in 2019 to design and construct an updated Permit Center. The updated Permit Center will add enhanced customer counter stations for planning, engineering, and building services open directly to the lobby. Two public kiosks will be added to the lobby for improved access and viewing of public records, and a small break-out conference room will be created adjacent to the public counter for unscheduled customer meetings and project discussions. The grant also covered one-time costs to improve technology for electronic permitting and customer access to information and records.

Planned Permit Counter improvements were put on pause during the pandemic, but some of the grant funds were utilized to support and enhance electronic permitting and plan check. The original design was modified to reflect changes to our permit and plan check systems, customer behaviors, and desire for safety glass to improve security and airborne viruses. Construction drawings were prepared in 2022 and the project was put out to bid in November. Unfortunately, the bids came in

over project budget and the City Council rejected all bids for the permit center on February 14, 2023.

Staff worked on project modifications to reduce costs and identified additional grant award funding for this qualifying project. The two grant funding sources have an expenditure deadline of September 30, 2023, and a combined current maximum budget of \$325,000. During the pandemic, the City funded safety improvements to the public counters at City Hall. The safety improvements for the Community Development Counter were deferred to be included with this permit counter project and will have a separate funding source.

The revised permit counter project was rebid May 2 through 30, 2023 on CIPlist.com which also includes local and national plan rooms. As the project was rebid in the construction season costs were higher than expected for the rebid and there was not as much interest in the project.

POLICY / RULE

Section 2.36.180, Award of Contracts of the Folsom Municipal Code states, in part, that the City Council may reject any or all bids or proposals when it is for good cause and in the best interests of the City.

ANALYSIS

Public Works/Community Development staff prepared the bid package and advertised the project through CIPlist.com on May 2, 2023. Bids were received on May 30, 2023. One bid received are as follows:

- RBH Construction, Inc. Low Responsive Responsible Bid of \$334,135

The Engineer's Estimate for this project was revised to \$165,000 which is low compared to the bid amount of \$334,135 due to estimates not in the Architect's scope. The Public Works/Community Department staff has found the bid to be in order and recommends execution of the construction agreement.

FINANCIAL IMPACT

The contract with RBH Construction, Inc. would be for \$334,135 with a contingency of \$20,865 (approximately 6.25%) added to the budget for potential change orders for a total budget of \$355,000. Current SB2 grant award funding available is \$325,000 with the remaining \$30,000 funded through the General Fund (Fund 010) for the safety improvements. Staff has requested the reallocation of additional grant funding to increase the contingency to a full ten percent with an additional \$12,549 in grant funds for a total project budget of \$367,549. If unsuccessful, the contingency will remain at \$20,865 for a total project budget of \$355,000. An additional appropriation in the amount of \$325,000 in the Fiscal Year 2023-24 Operating Budget in the General Fund (Fund 010) to appropriate the grant revenue as well as the contract and contingency expense.

The Permit Center project scope has been modified to reduce costs with a maximum construction budget of \$367,549. Staff expects to start construction as soon as possible for the Permit Center project for completion of construction by the grant expenditure deadline of September 30, 2023.

ENVIRONMENTAL REVIEW

This project has been deemed categorically exempt from environmental review.

ATTACHMENT

Resolution No. 11052 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with RBH Construction, Inc. for the Community Development Department Permit Counter Project and Appropriation of Funds

Submitted,



Pam Johns, COMMUNITY DEVELOPMENT DIRECTOR

RESOLUTION NO. 11052

RESOLUTION NO. 11052 - A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH RBH CONSTRUCTION, INC. FOR THE COMMUNITY DEVELOPMENT DEPARTMENT PERMIT COUNTER PROJECT AND APPROPRIATION OF FUNDS

WHEREAS, the Community Development Department wishes to update their Permit Center; and

WHEREAS, the project has been rescoped to fit the available budget after rejection of bids on February 14, 2023 bids and readvertised; and

WHEREAS, Public Works/Community Development Department staff prepared the bid package, publicly advertised, and received bids on May 30, 2023, with RBH Construction, Inc. being the only and lowest responsive and responsible bidder at \$334,135; and

WHEREAS, staff has found the RBH Construction, Inc. to be in good order and recommends a construction agreement for \$334,135 with up to 10% contingency of \$33,413 for a total project cost not to exceed \$367,548; and

WHEREAS, the revised Engineer's Estimate is \$165,000; and

WHEREAS, an additional appropriation in the amount of \$325,000 will be required in the Fiscal Year 2023-24 Operating Budget in the General Fund (Fund 010) for the grant revenue; and

WHEREAS, staff is seeking approval additional reallocation of SB2 grant funding in the amount of \$12,549 for full ten percent contingency; otherwise the contingency will remain at six percent with \$20,865 for a total project budget of \$355,000; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney: (as applicable to contracts)

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a construction agreement with RBH Construction, Inc. for \$334,135 with up to a 10% contingency of \$33,413 for a not to exceed project budget of \$367,548 for the Community Development Department Permit Center.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$325,000 in the Fiscal Year 2023-24 Operating Budget in the General Fund (Fund 010) as grant revenue and expense.

PASSED AND ADOPTED this 13th day of June, 2023, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE