APPROVE RESOLUTION TO AUTHORIZE THE ROOF AND HVAC REPLACEMENT PROJECT AT THE CITY OF STOCKTON CORPORATION YARD

RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the City Manager to:

1. Approve the Notice of Exemption No. CE014-17 under the California Environmental Quality Act for the Roof Replacement and Construction Program, City of Stockton Corporation Yard (Project No. PW1320).

2. Approve the plans and specifications for the Roof Replacement and Construction Program, City of Stockton Corporation Yard (Project No. PW1320).

3. Award a Construction Contract in the amount of $610,000 to Art's Construction Company, Inc. of Fresno, CA, for the Roof Replacement and Construction Program, City of Stockton Corporation Yard (Project No. PW1320).

It is also recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the purpose and intent of this resolution.

Summary

The Public Works Municipal Service Center (MSC), also known as the City Corporation Yard, is located at 1465 South Lincoln Street and serves a variety of purposes ranging from material and equipment storage to engineering offices. Roofs and mechanical equipment for heating, ventilation, and air conditioning (HVAC) on several of the MSC buildings need replacement.

The Roof Replacement and Construction Program, City of Stockton Corporation Yard project will re-roof the Street Paving and Maintenance Building and the Locker/Break Room Building. The outdated HVAC system at the Locker/Break Room Building will also be upgraded. The roof portion of this project is funded from the Roof Replacement and Construction Program, an ongoing program that receives regular funding in the Public Works Capital Improvement Plan (CIP). Replacement of the roofs at the MSC is identified as a top priority for the program in the Fiscal Year (FY) 2016-21 CIP. The HVAC portion of this project is funded from the Facilities Maintenance operating budget. Project design was completed by HMR Architects, Inc. in March 2017 and advertised for bids.

On April 27, 2017, the City received one bid for this project. The low bid received was from Saboo, Inc. in the amount of $796,000, which was significantly over the Engineer's Estimate. The bid was rejected by Council on July 25, 2017, and the project was re-advertised on July 28, 2017.
On August 31, 2017, the City received two bids for the project. The lowest responsible bidder was Art's Construction Company, Inc., with a bid amount of $610,000, which is approximately three percent higher than the Engineer's Estimate of $594,462.

Staff recommends award of the Construction Contract to the lowest responsive bidder, Art's Construction Company, Inc., in the amount of $610,000. Construction is anticipated to begin in spring 2018 and be completed by summer 2018.

DISCUSSION

Background

The MSC, also known as the City Corporation Yard, located at 1465 South Lincoln Street, is the primary maintenance facility for the Public Works Department. The MSC contains buildings used for material and equipment storage, fleet repairs, Central Stores, shops, crew dispatch, and administrative/engineering offices. The following buildings have roofs and/or HVAC equipment that have passed their useful life or are inoperative and in need of replacement:

1. **Street Paving and Maintenance Building:** The Street Paving and Maintenance Building is where the City's heavy equipment and supplies are stored. The existing roof has passed its useful life and needs to be replaced.

2. **Locker/Break Room Building:** The Locker/Break Room Building includes showers, restrooms, lockers, and a break room for use by MSC staff. Both the existing roof and HVAC system have passed their useful life and need to be replaced.

The roof portion of this project is funded from the Roof Replacement and Construction Program, an ongoing program that receives regular funding in the Public Works CIP. Replacement of the roofs at the MSC is identified as a top priority for the program in the FY 2016-21 CIP. The HVAC portion of this project is funded from the Facilities Maintenance operating budget.

On September 12, 2016, the City Manager approved a Professional Services Contract with HMR Architects, Inc. to prepare the plans and specifications for the construction of the project. The project design for replacement of the roofs on both buildings, and for installation of City furnished HVAC equipment on the Locker/Break Room Building, was completed in March 2017 and advertised for bids.

On April 27, 2017, the City received one bid for this project. The low bid received was from Saboo, Inc. in the amount of $796,000, which was significantly over the Engineer’s Estimate. On July 25, 2017, by Motion No. 2017-07-25-1111, Council rejected all bids. Staff revised the project specification for roof material type following consultation with roofing contractors. The project was re-advertised on July 28, 2017, with additional marketing to potential bidders.

On July 26, 2016, Council adopted a Community Workforce and Training Agreement (CWTA). The CWTA became effective August 25, 2016, and applies to all Public Works projects over $1 million that are bid after that date. The CWTA was not applied to this project, as the estimated construction cost is less than $1 million.
Present Situation

On August 31, 2017, two bids were received with the following results:

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>BID AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art’s Construction Company, Inc. (Fresno, CA)</td>
<td>$610,000</td>
</tr>
<tr>
<td>Saboo, Inc. (Brentwood, CA)</td>
<td>$619,000</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$594,462</td>
</tr>
</tbody>
</table>

The requirements of Stockton Municipal Code (SMC) section 3.68.090, Local Business Preference Ordinance, apply to this project. Application of the Local Business Preference has no effect on the bid order. The Local Employment Ordinance, SMC section 3.68.095, also applies to this contract.

The bid from Art’s Construction Company, Inc., the apparent low bidder, is regular in all respects. Art’s Construction Company, Inc. has the proper license to perform the work, and their bid is within three percent of the Engineer’s Estimate. Staff recommends Council approve the plans and specifications for the project, and award a Construction Contract to Art’s Construction Company, Inc. in the amount of $610,000. Construction is anticipated to begin in spring 2018 and be completed in summer 2018.

The project is in conformance with the City’s General Plan, pursuant to California Government Code, Section 65402, and is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) as specified under Article 19, Section 15301, Class 1, of CEQA Guidelines. The activities related to this project constitute a discretionary project under the City’s jurisdiction and qualifies as a project that does not have a significant effect on the environment. The resolution will approve the filing of Notice of Exemption No. CE014-17 under CEQA.

FINANCIAL SUMMARY

There is sufficient funding in the Roof Replacement and Construction Program (PW1320; Account No. 301-3091-640) and in the Operating Budget for Facilities Maintenance (010-3094-540.20-62) to award a Construction Contract in the amount of $610,000 with Art’s Construction Company, Inc. The funding will be split between the Roof Replacement and Construction Program account in the amount of $598,000 (PW1320; Account No. 301-3091-640.20-62), and the Operations and Maintenance Operating Budget - Facilities Maintenance account in the amount of $12,000 (010-3094-540.20-62). The City furnished HVAC equipment will be procured separately and charged to the Operating Budget for Facilities Maintenance.

The current unencumbered balance in the Roof Replacement and Construction Program (PW1320) of $1,190,000 is sufficient to award this contract, and to fund associated staff costs and contingencies. Upon completion of the project, the remaining funding will be allocated for repair of other City facilities in need of roof replacement as identified in the CIP.

There is no additional impact to the City’s General Fund or any other unrestricted fund as a result of taking the recommended actions.

Attachment A - Vicinity Map