

Agenda Report

December 14, 2009

TO: Honorable Mayor and City Council

FROM: Public Works Department

SUBJECT: **AUTHORIZATION TO EXECUTE A LEASE WITH HUNTINGTON MEDICAL FOUNDATION FOR PROPERTY LOCATED AT 3160 E. DEL MAR BOULEVARD; AND AUTHORIZATION TO ENTER INTO A CONTRACT WITH MALLCRAFT, INC. FOR GENERAL CONSTRUCTION, IN AN AMOUNT NOT TO EXCEED \$3,230,400 FOR THE PASADENA URGENT CARE CENTER PROJECT.**

RECOMMENDATION:

It is recommended that the City Council:

1. Acknowledge that the leasing of 3160 E. Del Mar Boulevard to Huntington Medical Foundation (Huntington), and the activity described in the contract with Mallcraft, Inc. for general construction of the Pasadena Urgent Care Center as described in the agenda report, was subject to CEQA environmental review as part of a Mitigated Negative Declaration adopted by the Board of Zoning Appeals on July 13, 2009, and filed with the Los Angeles County Recorder's office on July 14, 2009; and that there are no changed circumstances or new information, which would trigger additional environmental review;
2. Authorize the City Manager to execute a lease incorporating the terms and conditions generally described in Attachment No. 1 with Huntington Medical Foundation (Huntington) for the lease of property located at 3160 E. Del Mar Boulevard; and
3. Authorize the City Manager to enter into a contract with Mallcraft, Inc. for general construction in an amount not to exceed \$3,230,400 for the Pasadena Urgent Care Center.

BACKGROUND:

LEASE

On December 8, 2008, City Council directed staff to move forward the planning for a pilot urgent care center to be located at 3160 E. Del Mar Boulevard. The project includes

renovation of an existing structure to accommodate an Urgent Care Center with two separate clinic facilities. A lease has been under negotiation with Huntington at this location which includes a 10,029 gross square foot building located on 50,714 square feet of lot area.

Huntington Medical Foundation, a non-profit organization, will provide a high level of medical service and intends to partner with and sublease a portion of the building to CHAP, a non-profit organization that will provide quality primary care services as a complement to the urgent care operations. Triage nurses and/or case managers will be on duty to channel clients to the appropriate level of service, determine eligibility for various insurance programs and arrange follow up care. The Urgent Care center will be accessible to all and will accept uninsured, underinsured and insured patients on a reasonable fee-for-service basis and participate in public insurance programs such as Medi-Cal and Medi-Care. Huntington shall participate in the Pasadena Healthcare Consortium - Access to Care Committee, in order to facilitate coordination of care throughout the Pasadena healthcare network and to ensure that there is a mechanism for the Urgent Care Center to receive community input. Quarterly operational reports will be submitted to the City Public Health Department for performance monitoring.

In addition, Huntington will work with the Huntington Hospital Emergency Department, the City Fire Department, and the Verdugo Fire Communications Center to submit a waiver to develop a pilot system allowing urgent, but non-emergent cases, to be triaged through the 9-1-1 Emergency Medical System and transported directly to the Urgent Care Center. The use of emergency sirens is not anticipated as the Urgent Care Center is not designed to accept emergent cases. These cases will continue to go directly to local hospital based emergency rooms.

The lease shall commence on October 1, 2010, for five years, and terminate on September 30, 2015. The substantial terms and conditions of the lease are as outlined in Attachment No. 1.

CONSTRUCTION PROJECT

On October 19, 2009, City Council approved a contract amendment with GKKWorks, the project architect, to revise the Urgent Care Center design plans in response to conditions required by of the Design Commission.

On November 10, 2009, staff advertised an Invitation to Bid for the project on the City's bidding website as well as the Pasadena Star-News, Reed Construction Data, and McGraw-Hill Construction News, in order to solicit qualified contractors for the project. Construction activities will include hazardous materials abatement, structural and utility upgrades, tenant improvements, code compliance, ADA, and site and landscape upgrades. A mandatory pre-bid job walk was held on the project site on November 17, 2009, with 35 prospective general contractors in attendance.

On December 3, 2009, the City received four bids for the project. Following review of all submitted bids, it was determined that the lowest responsive and responsible bid was submitted by Mallcraft, Inc.

<u>Bidder</u>	<u>Amount</u>
1. Cal-City Construction, Cerritos, CA	\$2,720,000 (withdrew bid)
2. Mallcraft, Inc., Altadena, CA	\$2,940,000
3. USS Cal Builders, Inc., Stanton, CA	\$3,170,000
4. Morillo Construction, Inc., Pasadena, CA	\$3,230,000

The breakdown of the contract amount is as follows:

Contract amount for Construction	\$2,940,000
Contingency (10%)	\$ 290,400
Total Project Cost:	\$3,230,400

Staff performed a reference check regarding the quality of work, based on performance on previous projects, reviewed their business practice with the Department of Industrial Relations and conducted a litigation search per statutory requirements. Based on the information received and the bid submittal, Mallcraft, Inc. has been determined to be the lowest responsive and qualified bidder.

It is recommended that Mallcraft, Inc. be awarded the contract for general construction for an amount not to exceed \$3,230,400 for the Pasadena Urgent Care Center project. The company has been in business for 44 years and has experience in the construction and renovation of medical office buildings and similar facilities. Project construction will begin January 2010, and is scheduled to be completed August 2010. Approval of this contract is expected to result in 13 new hires for the project.

COUNCIL POLICY CONSIDERATION:

Approval of the lease terms and construction contract for the Urgent Care Center advances the City Council's three year goals to 1) Improve, Maintain and Enhance Public Facilities and Infrastructure; and 2) Increase Conservation and Sustainability policies. The project is consistent with the Land Use Element, Objective 13 by providing adequate support for institutions that serve the needs of Pasadena's diverse residents and families while allowing for the expansion of the City's Community Health Center's (CHAP) clinic service to the east side of Pasadena.

ENVIRONMENTAL ANALYSIS:

Required environmental analysis was performed in consultation with Planning and Development staff, which resulted in Recommendation #1.

FISCAL IMPACT:

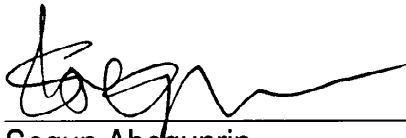
The Lease with Huntington will generate total revenue for the five year term of \$5.00. This does not take into account the community benefits to be afforded City residents. Funds to cover project construction are available in the Capital Improvement Program, Budget Account No. 71906, Pasadena Urgent Care Center, in the form of Charter Capital Funds and Equipment Leasing Costs.

Respectfully submitted,



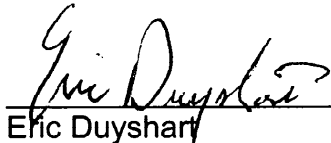
MARTIN PASTUCHA
Director of Public Works

Prepared by:



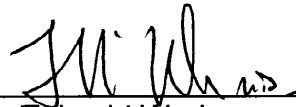
Segun Abegunrin
Capital Projects Administrator

Concurrence:



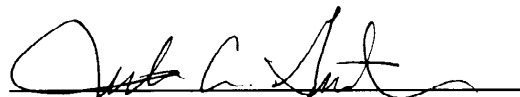
Eric Duyshart
Business Development Manager
Planning & Development Department

Concurrence:



Dr. Takashi Wada
Director of Public Health

Approved by:



MICHAEL J. BECK
City Manager

Attachments: 1. Attachment No. 1 – Lease Terms and Conditions with Huntington Medical Foundation for 3160 East Del Mar Bl. property

2. Attachment No. 2 – Taxpayer ID Form for Mallcraft, Inc.

ATTACHMENT NO. 1

Summary of Lease Terms between City of Pasadena And Huntington Medical Foundation for Property Located at 3160 East Del Mar Boulevard, Pasadena

Following are the substantial terms proposed for the lease:

- A. **Term**: The lease shall commence on October 1, 2010 for five years, terminating on September 30, 2015;
- B. **Compensation**: \$1 per year in addition to the community benefits to City residents mentioned above;
- C. **Tenant Improvements**: To be provided by the City;
- D. **Maintenance**: The City will provide structural maintenance, which will be paid for by Huntington. Huntington shall pay for utilities, security, janitorial services, landscaping, parking lot and fence maintenance; and;
- E. **City Access**: The City shall retain access through the parking lot in order to access its adjacent property located south of the Urgent Care Center.

ATTACHMENT NO. 2

Disclosure Pursuant to the City of Pasadena Taxpayer Protection Amendment of 2000 Pasadena City Charter, Article XVII

Contractor hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor, as follows:

1. Contractor Name: <u>Mallcraft, Inc.</u>		
2. Names of trustees, directors, partners, officers of Contractor:		
<u>L.E. Hansen</u>	<u>President</u>	
<u>J.M. Garber</u>	<u>VP/ Secretary</u>	
<u>S.E. Pappas</u>	<u>VP/ Treasurer</u>	
<u>G.L. Fishbein</u>	<u>Chairman</u>	
Those with more than a 10% equity, participation or revenue interest in Contractor:		
<u>None</u>		

Prepared by: Jill Garber
Title: Vice President
Date: 12-17-09

For office use only: Contract/Transaction No. _____ If not a contract, type of transaction: _____
