

Agenda Report

TO: CITY COUNCIL **DATE:** DECEMBER 15, 2008

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH MORILLO CONSTRUCTION, INC., FOR GENERAL CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$18,581,200, FOR THE WATER & POWER YARDS OFFICE BUILDING/WAREHOUSE RENOVATION AND NEW OPERATIONS FACILITY/EMERGENCY OPERATIONS CENTER

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the activity described in the contract with Morillo Construction Inc., for general construction for the Water & Power Yards Office Building/Warehouse Renovations and New Facility/Emergency Operations Center is exempt from the California Environmental Quality Act (State CEQA Guidelines Section 15332, Class 32, In-Fill Development Projects):
2. Authorize the City Manager to enter into a contract with Morillo Construction, Inc., for general construction in an amount not to exceed \$18,581,200 for the Water & Power Yards Office Building/Warehouse Renovation and New Operations Facility/Emergency Operations Center; and
3. Appropriate \$14,939,760 from the un-appropriated Power Fund balance to the Water and Power Warehouse Modernization Capitalization Improvement Program Project 3175 and \$3,734,940 from the un-appropriated Water Fund balance to the Water and Power Warehouse Modernization Capital Improvement Program Project 1056. Funding for the project will be provided during fiscal years 2009, 2010, and 2011 according to the project schedule and construction progress.

BACKGROUND:

In August, 2008, staff advertised an Invitation to Bid for this project on the City's bidding website, the Pasadena Star-News, Reed Construction Data and McGraw-Hill Construction News, in order to solicit qualified contractors for the project.

On September 3, 2008, a mandatory job walk was held on the project site, with 20 prospective general contractors in attendance.

The scope of work for the project includes renovation of the existing Water and Power Office Building and Warehouse Facility (Phase 2A); and construction of a new 36,000 square foot Operations Facility/Emergency Operations Center (Phase 2B). The final bid amount includes the construction costs for both Phase 2A and 2B portions of the project.

On October 3, 2008, 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 Morillo Construction Inc.

| | <u>Bidder</u> | <u>Amount</u> |
|----|-------------------------------|---------------|
| 1. | Morillo Construction Inc. | \$16,892,000 |
| 2. | Mallcraft, Inc. | \$17,322,000 |
| 3. | Bernards Builders | \$17,614,000 |
| 4. | Howard S. Wright Constructors | \$17,806,000 |

The breakdown of the contract amount is as follows:

| | |
|---|---------------------|
| Contract amount for Phase 2A – Renovation of the Existing Office Building and Warehouse | \$ 4,331,000 |
| Contract amount for Phase 2B - New Operations Facility and Emergency Operations Center | \$ 9,270,000 |
| General Conditions and Insurance | \$ 3,291,000 |
| Contingency (10%) | <u>\$ 1,689,200</u> |
| Total Project Cost: | \$18,581,200 |

Staff performed a reference check regarding the quality of Morillo's work and performance on previous projects, reviewed their business practices with the Department of Industrial Relations and conducted a litigation search per statutory requirements. Based on the information received and the bid submittal, Morillo

Construction Inc has been determined to be the lowest responsive and qualified bidder.

It is recommended that Morillo Construction Inc., be awarded the contract for general construction for an amount not to exceed \$18,581,200, for the Water and Power Yards Office Building/Renovation (Phase 2A) and the New Operations Facility Emergency Operations Center (Phase 2B).

The company has been in business for the last thirty two years and has experience in the construction and renovation of office buildings and similar facilities.

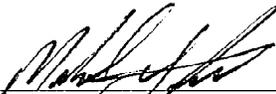
Project construction will begin February 2009, and is scheduled to be completed in February 2011.

Approval of this contract is expected to result in no new hires for the project.

FISCAL IMPACT:

Approximately 80% of the funding for the Water and Power Yards Building Renovations and New Operations Facility/EOC building will come from the Power Fund, and approximately 20% will come from Water Fund. Approval of the requested transfer will provide sufficient funds to cover the construction costs over the term of the project.

Respectfully submitted,



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City Manager

Prepared by:



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Capital Project Administrator

Approved by:



Martin Pastucha
Director of Public Works

Concurrence:



Phyllis M. Currie, General Manager
Pasadena Water and Power