



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-168

Meeting Date: 2/18/2025

TITLE:

AWARD OF THE COSTA MESA CITY HALL TRAINING ROOM BASEMENT REMODEL PROJECT, CITY PROJECT NO. 24-11, AND FINDING OF CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CATEGORICAL EXEMPTION

DEPARTMENT: PUBLIC WORKS DEPARTMENT/GENERAL SERVICES
DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR
CONTACT INFORMATION: PATRICK BAUER, DEPUTY PUBLIC WORKS DIRECTOR, (714) 754-5029

RECOMMENDATION:

Staff recommends the City Council:

1. Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA guidelines Section 15301 and adopt plans, specifications, and working details for the Costa Mesa City Hall Training Room Basement Remodel Project, City Project No. 24-11.
2. Reject the bid submitted by Triangle DeCon Services, Inc., 25422 Adriana Street, Mission Viejo, California 92691 as non-responsive.
3. Award a Public Works Agreement (PWA) for construction to American Construction Company, LLC (ACC), 1130 North Kraemer Boulevard, No. 1, Anaheim, California 92806 in the amount of \$490,000 with an additional ten percent (10%) contingency in the amount of \$49,000, as needed for any unforeseen costs related to this project.
4. Authorize the City Manager and City Clerk to execute the PWA and future amendments to the agreement within Council authorized limits.

ENVIRONMENTAL DETERMINATION:

The proposed action is exempt from the California Environmental Quality Act (CEQA). The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment. In addition, the proposed action is exempt under Section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of existing public facilities.

BACKGROUND:

The City is in need of a facility capable of providing the necessary training and education to all City

staff from various departments Citywide. Up until now, such training and education classes have been accommodated in the Council Chambers (if available), individual conference rooms, personal offices, offsite facilities, or online classes, if available. Given the continual necessity for legally required training and other critical and time sensitive training and education for City staff, funding of \$480,000 was approved in the Fiscal Year 2022-23 CIP Budget. In addition, three offices for Information Technology (I.T.) staff will be built adjacent to the proposed training room to accommodate the growth in staffing of the I.T. Department authorized by the 5-Year Information Technology Strategic Plan and prior year's budgets.

The scope of work generally consists of demolition and remodel of the City Hall Basement storage areas to make room for the addition of the City Hall training room and offices. The basement remodel includes new walls; partitions; mechanical heating, venting, and air conditioning (HVAC); electrical; lighting; low voltage and data; fire alarm; finish paint; and flooring improvements as well as an advanced audio visual (AV) system for the classroom training room. All computer network equipment and cabling, office and classroom furniture, finishes, and fixtures & equipment will be procured, and constructed per the project specifications. A copy of the plans, specifications, and working details is available for review in the Office of the City Clerk.

Attachment 1 shows renderings for the proposed layout of the new I.T. offices and training room in the basement of City Hall.

ANALYSIS:

The City Clerk received and opened fourteen (14) bids for this project on December 5, 2024. One of the bids, submitted by FM Workspace Solutions, LLC, was invalidated for not attending the mandatory pre-bid meeting and not submitting and acknowledging the final bid addendum.

After the bid opening, Triangle DeCon Services (Triangle) was the initial apparent lowest bidder with a bid proposal of \$470,000. The average of the bids received, excluding the invalidated bid submitted by FM Workspace Solutions, amounted to \$640,557.15. The bid abstract for this project is included as Attachment 2.

American Construction Company (ACC), the next lowest bidder, submitted a protest letter challenging the apparent low bid submitted by Triangle (Attachment 3).

Staff completed a comprehensive review of the submitted bids and ACC's bid protest letter and determined that Triangle's bid proposal failed to meet the "Qualification of Bidders" requirement outlined in Paragraph 2 of SECTION B, INFORMATION FOR BIDDERS in the project specifications and Notice Inviting Bids. Specifically, Triangle did not include a completed list of construction projects and references demonstrating:

- 1) Five (5) years of continuous experience as a prime contractor on projects of comparable quality, size, complexity, and type; and
- 2) Completion of three (3) projects as a prime contractor that meet these criteria.

Staff subsequently requested that Triangle provide an updated list of qualifying projects and additional information that would substantiate their qualifications. In response to the City's request,

Triangle was unable to furnish any additional qualifying pre-requisite experience to support its bid proposal or meet its ability per the requirements outlined in the "Qualification of Bidders."

Based on the City's review and findings, Triangle's bid is found to be non-responsive, and ACC, as the second-lowest bidder, is the lowest responsive and responsible bidder. Staff's response to the bid protest was issued on January 2, 2025 (Attachment 4). Therefore, staff recommends awarding the project to ACC for its bid proposal amount of \$490,000.

The licenses and references from ACC have been checked, and staff has found them to be in good standing. In addition, ACC has performed substantially similar projects, such as the Norwalk Adult School Upgrades Project for the Norwalk-La Mirada Unified School District, Edison Community Center Improvements for the City of Huntington Beach, and the Riverside County District Attorney Offices Remodel in the City of Riverside.

Upon City Council award of the PWA (Attachment 5), ACC will furnish the necessary bonds for the project. After the award and subsequent execution of the agreement, a "Notice to Proceed" will be issued.

ALTERNATIVES:

The City Council could reject all bids, re-advertise, and re-bid the project for construction. Staff has determined that re-advertising and re-bidding the project will not result in lower bids and will delay the project.

FISCAL REVIEW:

The funding for this project is available in the Fiscal Year 2024-25 Capital Improvement Fund (Fund 401). A total of \$480,000 was originally appropriated with \$50,000 spent on design and analytical work with \$430,000 remaining. As such, an additional \$109,000 is needed to fund the \$490,000 required for the construction and 10% contingency of \$49,000. Sufficient funding is available in the CIP Fund 401 fund balance from accumulated savings in other completed projects.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report, prepared the PWA, and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This project works toward achieving the following City Council goal:

- Strengthen the Public's Safety and Improve the Quality of Life.
- Maintain and Enhance the City's Infrastructure, Facilities, Equipment and Technology.

CONCLUSION:

Staff recommends the City Council:

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