



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-098

Meeting Date: 4/2/2024

TITLE:

AWARD OF FIRE STATION NO. 4 TRAINING TOWER AND SITE IMPROVEMENTS PROJECT, CITY PROJECT NO. 23-04, AND FINDING OF A CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

DEPARTMENT: PUBLIC WORKS DEPARTMENT/ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER, (714) 754-5335

RECOMMENDATION:

Staff recommends the City Council:

1. Find that the Fire Station No. 4 Training Tower and Site Improvements Project, City Project No. 23-04, is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15301.
2. Adopt plans, specifications, and working details for the Fire Station No. 4 Training Tower and Site Improvements Project, City Project No. 23-04.
3. Authorize the City Manager and City Clerk to execute a Public Works Agreement (PWA) in a not to exceed amount of \$3.5 million and future contract amendments as approved by the City Attorney within City Council authorized limits to Caliba, Inc., 8031 Main Street, Stanton, California 90680.
4. Authorize the City Manager and City Clerk to execute a Professional Services Agreement (PSA) in the amount of \$347,241 and future contract amendments as approved by the City Attorney and within City Council authorized limits to STV Construction, Inc., 1055 West 7th Street, Suite 2900, Los Angeles, California 90017.
5. Authorize the City Manager to negotiate change orders, as needed, to split the project into phases based on available funding, and explore financing options, including bond financing, with final bond documents to be brought to the City Council for final adoption, to fund the remaining unfunded portion of the project's construction costs currently totaling \$1.5 million for the second phase of the project.

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 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:

In 2022, the Governor's Office of Emergency Services (Cal OES), in conjunction with the office of state Assemblymember Cottie Petrie-Norris, earmarked funding for Costa Mesa Fire and Rescue to upgrade the existing training tower facility at Fire Station No. 4, located at 2300 Placentia Avenue.

The primary purpose of this project is to replace the existing training tower facility built in 1966 with a new tower structure, along with other supporting improvements.

The project is divided into two phases:

The first phase was the purchase of a prefabricated tower, together with its installation inside the Fire Station No. 4 grounds, which was approved by City Council on July 18, 2023. The prefabricated training tower was delivered to the City on February 6, 2024, for installation at a future date following completion of on-site improvements.

The second phase includes demolition of the existing training tower, grading, concrete pavement in a portion of the Fire Station 4 parking lot, a separate structure with restrooms and showers, a water recirculation system for onsite operations, carport with solar panels, and other miscellaneous improvements.

ANALYSIS:**Project Construction:**

On February 15, 2024, staff received three (3) bids for this project. The bid abstract is shown as Attachment 1.

The low bidder, Global Builders, Inc., elected to withdraw its bid and did so within five (5) working days of the bid opening, which is allowed under Section 5103 of the Public Contract Code.

The next lowest responsive bid was submitted by Caliba, Inc. (Caliba) at a bid amount of \$3,486,000. This amount is approximately 63% over the Engineer's estimate of \$2,140,000. Rising construction costs and the increased scope of work account for the higher amount.

The third and last-placed bidder, Kazoni, Inc. (Kazoni), submitted a bid in the amount of \$7,103,000. Kazoni also submitted a protest claiming that the first and second lowest bids are non-responsive due to their failure to list trade contractors, failure to meet bid specification requirements, and "troubling" bid spreads. Kazoni's bid protest is included as Attachment 2. Subsequently, the second bidder, Caliba, submitted its response to Kazoni's bid protest and is included as Attachment 3. The low bidder, Global Builders, did not respond to the bid protest since it had voluntarily withdrawn its bid.

The City Attorney's office reviewed Kazoni's bid protest and Caliba's response with the City Engineer and determined that the bid submitted by Caliba was responsive and that Kazoni's bid protest was without merit, and therefore, rejected. Under the provisions of the Bid Documents, the City

Engineer's decision is final and not subject to appeal.

The license and references of Caliba were checked and found to be in good standing. Therefore, staff recommends that City Council award the PWA to Caliba, as the lowest responsible bidder.

Following City Council award of the PWA, Caliba, will furnish the necessary bonds and insurance, which will be approved as to form by Risk Management. After the award and subsequent execution of the agreement, a "Notice to Proceed" will be issued.

The contractor is required to complete all of the tasks necessary to perform the scope of work as outlined in the contract documents, plans, and specifications. A copy of the specifications and working details is available for review in the Office of the City Clerk.

In addition, this project is subject to the City's Community Workforce Agreement (CWA). The City Council approved the CWA on February 1, 2022 in order to promote efforts to increase employment opportunities for residents of Costa Mesa and to facilitate training and employment for the City's students and veterans in the construction trades through apprenticeships and to encourage efficiency in construction operations.

On March 7, 2023, the City Council awarded a Professional Services Agreement (PSA) to The Solís Group (Solís) to assist the City in administering the CWA. Solís will render its services to manage the provisions of the CWA for this project, including the preparation and submission of the final report.

Project Construction Management and Inspection Support:

On December 6, 2023, the City issued a Request for Proposals (RFP) for Construction Management and Inspection Support Services for the Fire Station No. 4 - Training Facility Project. Eight (8) consultant proposals were received on January 12, 2024.

Proposals were reviewed for compliance with the City's RFP process, and the proposed consultants were evaluated based on project understanding, depth of experience, technical expertise, and associated evaluation criteria. After careful review of the proposals, staff determined that STV Construction, Inc. (STV), was well qualified to perform the requested construction management and inspection services for the project. The proposal submitted by STV represents a thorough understanding of the project, complies with City requirements, and documents STV's technical ability and experience with similar projects. The fees proposed by STV were determined to be competitive and commensurate with the requested services. A copy of STV's proposal is included as Attachment 4.

Therefore, staff recommends that the City Council authorize the City Manager to execute the PSA to STV, in the amount of \$347,241 for construction management and special inspection support services.

ALTERNATIVES:

The alternative would be to reject all bids, reduce the scope of work, and re-bid the project. Staff has

determined that re-bidding the project will significantly delay the project.

FISCAL REVIEW:

The Fire Station 4 Training Tower project is a phased construction project that has a total cost of \$5.0 million in construction costs of which \$2.5 million is budgeted in the State Grant Fund made available from the State of California through Assembly Member Cottie Petrie-Norris, and \$2.5 million is already budgeted in the City's Capital Improvement Fund. An additional \$1.5 million is requested in the Capital Improvement Fund in the Public Works Department as an appropriation to cover all projected construction and project management expenses for a project total of \$6.5 million to be offset by future bond financing with the larger Station 4 project to modernize the Fire Station itself along with the outdated living quarters (in addition to the Training Tower Project).

To address the shortfall, staff is proposing to phase certain elements of the project (i.e. (restrooms, showers, and carports with solar panels) into the future bond financing of Fire Station 4's apparatus bay upgrades, living headquarters modernization and other needed improvements. Based on staff estimates, the total cost of these improvements that could be addressed in future phases is approximately \$1.5 million. If staff is successful in negotiating a contract change order to split the project into two phases, the estimated cost of construction and construction management services may be further reduced.

Staff requests City Council approval for award of the contracts for both construction and project management services, and the phasing of the project to maximize State grant funds, previously approved City capital project funds, and future bond financing (phase two of the project to be achieved by a change order splitting the project into phases) to achieve the best pricing and keep the project on track without further delays. This is imperative in order to utilize State grant funds within the time allotted without risk of losing the funds.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report and approves it as to form. The City Attorney's office will prepare the PWA and PSA for execution by the City Manager and City Clerk.

CITY COUNCIL GOALS AND PRIORITIES:

This project works toward achieving the following City Council goals:

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

CONCLUSION:

Staff recommends the City Council:

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