



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Construction Contract for Fremont Park Renovation Project

1. Resolution dispensing with competitive bidding and awarding a construction contract to Dorado Design and Construction, Inc. in the amount of \$21,750,220, approving a 10 percent contract contingency in the amount of \$2,175,022 and authorizing the City Manager or his designee to execute the contract.
2. Resolution of Appropriation for the funding of the Fremont Park Renovation Project

### COUNCIL ACTION

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**Item Type:** Action Item

**Approved for** August 8, 2023 **calendar**

### EXECUTIVE SUMMARY

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The Public Works Department has completed negotiations with two qualified bidders and concluded with the lowest base bid price of \$19,925,000 for the Fremont Park Renovation Project. Moreover, an addition to the project scope of 240,000 watts of photovoltaic canopies over the parking lot was negotiated for a bid price of \$1,825,220. plus a 10 percent contract contingency, or \$182,522, for a total cost of \$ 2,007,742.

The final negotiated bid price reflects the incorporation of cost saving strategies including value-engineering that do not minimize the project's quality or scope.

The entire project is estimated to cost \$25,332,242, inclusive of all hard and soft costs (engineering, design, construction management), photovoltaic canopies, and contingencies, of which \$13,923,056 has already been appropriated. To fully fund the project, \$11,409,186 is needed for the proposed renovations to Fremont Park of which, \$8,356,444 is new appropriation being requested and the remainder of \$3,052,742 is existing appropriation that will be redirected.

## **COUNCIL PRIORITIES**

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Operational Efficiency: Adding new park amenities and improving accessibility, functionality, safety, and reliability of park features maximizes this public asset. This proposed project will bring 35-year-old features to current codes, regulations, functionality, energy efficiency, and conservation levels.

## **RECOMMENDATION**

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Approve the resolution dispensing with competitive bidding and authorizing the City Manager to execute a construction contract with Dorado Design and Construction, Inc., for the Fremont Park Renovation Project, in the amount of \$21,750,220 plus a 10% contingency and the resolution of appropriation to appropriate or shift funds from the CIP Reimbursement Fund, Parks Mitigation Fee Fund, General Fund CIP, and General Fund Measure S CIP.

## **BACKGROUND**

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Fremont Park, consisting of approximately 8 acres, is located adjacent to the Glenwood and Vineyard Neighborhoods south of Glenoaks Boulevard and west of Pacific Avenue. It is one of the oldest neighborhood parks in the city, having been constructed in 1922 with numerous heavily used amenities including: 8 tennis courts, children's play equipment, a wading pool, a basketball half-court, a sand volleyball court, open fields, a rose garden and numerous picnic areas clustered under the park's mature trees.

In July 2016, City Council approved a motion authorizing the City Manager to execute a Professional Services Agreement with David Volz Landscape Architects, Inc., (DVD) for the preparation of design and construction documents for the Fremont Park Renovation Project.

On October 8, 2019, City Council approved a resolution adopting plans and Specification 3624 and directed the City Clerk to advertise for bids. The Public Works Department hosted a job walk on February 21, 2021, and 18 contractors attended. This procurement process was subsequently cancelled due to the proposed turf field materials, which resulted in the execution of a Life Cycle Analysis (LCA) evaluation that was completed in June 2022. Based on the findings of that analysis, the City Council provided direction to include Shaw brand artificial turf materials into the specifications.

Specification 3624 was revised to require Shaw brand artificial turf material and also included an additive bid alternate for a 2,400 square foot, minimum 30,000-watt parking canopy photovoltaic system in the parking area (Specification 3624R).

On October 5, 2021, the city authorized a Professional Services Agreement for Construction Management Services with Maestro Development, LLC (Maestro).

On October 10 and 17, 2022, the Project was re-advertised and a job walk was hosted on November 2, 2022, during which 12 contractors attended.

On January 11, 2023, the city received five bids and on March 7, 2023, the City Council rejected all bids due to their non-responsiveness, dispensed with competitive bidding and authorized the Director of Public Works to negotiate with one or more of the qualified bidders.

There were various factors that determined the non-responsiveness of the bids including:

1. Mandatory minimum qualifications;
2. Subcontractor listing law;
3. Incomplete forms.

Additionally, the two highest bids (Masters Contracting Corp., and LA Engineering, Inc.) were approximately 80% higher than the anticipated bid price.

Pursuant to the City Council's directions on March 7, 2023, the two lowest, qualified bidders were selected for further negotiations (Dorado Design and Construction, Inc., and Ohno Construction Company). The other three bidders either did not meet the mandatory minimum qualifications to participate or their initial bid prices were far in excess of the target bid price.

Dispensing with competitive bidding to award a construction contract is recommended at this time because the original bid alternate photovoltaic parking canopy project, which called for a minimum 30,000-watt system was increased to a 240,000-watt system in negotiations with the top two qualified bidders. This change was largely driven by the projected benefits of a more substantial system and expressed objectives of the Council.

## **ANALYSIS**

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With extensive cooperation from the entire project team including two consultants, DVD (architect), Maestro (construction manager), materials vendors, and city staff, a best and final price was determined for the renovation efforts at Fremont Park. The team focused negotiation efforts on site logistics, materials, schedule, and constructability. An extensive effort was made to ensure all costs have been considered and the potential for cost overruns was minimized.

In addition to the base scope of work, and in consideration of Council's objectives, an alternate bid item was negotiated to incorporate a maximum amount of photovoltaic parking canopies at Fremont Park. The revised Specification included an additive bid alternate for a 2,400 square foot, minimum 30,000-watt parking canopy photovoltaic system in the parking area. However, new designs were created to include the installation of up to 240,000 watts of photovoltaic parking canopies at Fremont Park. The construction cost of this alternative is \$1,825,220 plus a 10% contingency \$182,522. The cost of this proposed addition to the project scope will be paid for with existing appropriations in the Glendale Water and Power (GWP) Electric Depreciation Fund.

Staff recommends including the 240,000-watt photovoltaic parking canopies at Fremont Park in the Project at this time because delaying the project to competitively bid out this expanded project component potentially jeopardizes the negotiated terms of the construction contract due to fluctuating labor and materials costs and it is unlikely to reduce the cost of the Project. Including the 240,000-watt system in the contract allows the city cost benefits due to economy of scale. Staff and the city's consultant have reviewed the alternate bid item submitted by Dorado Design and Construction, Inc. and determined the quoted price is fair and commensurate with the equipment and labor required for the work. Additionally, this strategy will allow the city to generate solar power at this site sooner than the alternative.

The recommended contractor (Dorado Design and Construction, Inc.) has a proven history with the city, including the completion of the Perkins Building Tenant Improvements, Police Museum, Police Crime Lab Renovation, and the Beeline Transit Facility. While the negotiated bid with Dorado is higher than their initial, erroneous bid amount, it remains the lowest bid for the Fremont Park Renovation Project and has been evaluated by the project team to represent a commensurate and fair cost for the project.

The Fremont Park Renovation Project currently has significant momentum due to the efforts of the entire project team. Specifically, the required permits are ready to be issued, the needed architectural and construction management contracts have been updated, vendors are assessing materials availability, and the recommended contractor is prepared to execute the project. Executing a construction contract now, despite the additional appropriation needed, will reduce the potential of future cost escalation associated with increasing materials and labor costs, and imminent code changes that will necessitate design revisions. This project will deliver the "new" Fremont Park to the community in the shortest time possible.

The Fremont Park Renovation Project construction duration is estimated at 18-months, during which time the entire park will be closed to expedite the work and to keep the public safe from the construction activities.

<b>Project Description:</b>	Fremont Park Renovation Project
<b>Plans/Specs Adopted:</b>	March 7, 2023
<b>Advertisement Method:</b>	City website, direct invitation
<b>Specs Issued:</b>	October 2022
<b>Bids Opened Date:</b>	April 12, 2023
<b>Company Name(s) and Bid Amount(s):</b>	Dorado Design and Construction, Inc. \$20,740,180 Ohno Construction Company \$22,990,000
<b>New / Existing Contractor:</b>	New
<b>Procurement Method (Bid / RFP):</b>	Bid/Negotiation
<b>Contract Term:</b>	24 months

<b>Construction Phase Begins:</b>	October 2023
<b>Construction Phase Ends:</b>	April 2025

The total Fremont Park Renovation Project Construction budget is:

Construction Contract (Dorado Design and Construction, Inc.,)	\$19,925,000
Construction Contingency	\$1,992,500
Photovoltaic Parking Canopies (Dorado Design and Construction, Inc.,)	\$1,825,220
Photovoltaic Parking Canopies Contingency	\$182,522
Construction Management Support (Maestro)	\$763,000
Design and Engineering Support (DVD)	\$369,000
Permits, Regulatory, Utility Costs (City, County, GWP)	\$200,000
Misc. Expenses: signage, time lapse cameras, closing/opening, etc.	\$75,000
<b>Total Project Cost for Construction Phase</b>	<b>\$25,332,242</b>

State Department of Parks and Recreation grant funding of \$933,000 for the project was recently secured through AB 201: Budget Act of 2023 via Assemblymember Laura Friedman's office for this project. The resolution of appropriation includes an appropriation of these state grant funds.

Additional funds are proposed from the Measure S Fund balance, Parks Mitigation Fee Fund Balance, and savings from existing projects including Rockhaven Roof Replacement (\$545,000), Measure S Housing Land Acquisition (\$500,000) and repurposing funds allocated for building maintenance projects (\$1,000,000).

On August 23, 2022, staff provided City Council three options for consideration in relations to the Rockhaven Roof Replacement Project:

- 1) The full removal and replacement of the roofs of eleven structures
- 2) Removal of the eleven roofing systems, preservation of the historic tiles, installation of a temporary roofing system to allow for future structural improvements, followed by reinstallation of the preserved historic roof tiles
- 3) The installation of super heavy duty vinyl tarps on the eleven structures.

Given the need for future structural improvements, City Council directed staff to re-roof the Pines building and tarp the remaining buildings instead of re-roofing all the buildings, thus resulting in funds remaining in the Rockhaven Roof Replacement Project that can be re-appropriated to the Fremont Park project at this time. Within the same report dated August 23, 2022, staff highlighted the \$8 million in state grant funds appropriated for Rockhaven's rehabilitation which will be available to address the Rockhaven improvement project as directed by Council.

## STAKEHOLDERS/OUTREACH

As part of the master planning and conceptual design process, two community meetings were held to engage the community and solicit input as part of the master plan. The first meeting was held on Saturday, April 11, 2015. About 50 participants took a walking tour of the park and then broke out into small groups and acted as landscape architects for a day by preparing initial planning maps that explored ideas for the park's renovation. At the end of the exercise, each group was asked to present their plans and explain what they would like to see added/changed/kept the same in the park. There was also a questionnaire provided for the attendees to provide written feedback. DVD gathered all the feedback from the community meeting and the written responses, reviewed the feedback with CSP staff, and prepared three different master plan conceptual designs which were shared with the community at the second community meeting.

The second meeting was held in the evening of Wednesday, May 27, 2015, where about 50 community members attended to review the three versions of conceptual master plans for the park. DVD presented each plan and explained the features. At the end of the presentation, DVD asked for a show of hands as to which plan the attendees favored and the majority of the attendees favored Schematic B which is the plan recommended for Council review and approval, with minor adjustments to address further feedback received from the community and/or city departments such as the Police Department.

After this extensive community outreach process, the final master plan was prepared and presented to the Parks, Recreation and Community Services Commission on November 16, 2015 with their recommendation to take to City Council for approval on December 8, 2015.

## FISCAL IMPACT

The total cost of the construction phase for the Fremont Park Renovation Project, inclusive of contingency, is \$25,332,242, a portion of which is part of the FY 2023-24 budget.

The existing appropriation of \$13,923,056 is outlined below:

Existing Appropriation		
Amount	Account String	Funding Source
\$1,997,791	GL: 51200-4010-CSP-0020-P0000-PL: 51873	General Fund CIP
\$5,925,265	GL: 51200-4050-CSP-0020-P0000-PL: 51873	Parks Mitigation Fee Fund

\$6,000,000	GL: 51200-4011-CSP-0020-P0000- PL: PWD01093BN	General Fund Measure S CIP
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The new appropriation request of \$8,356,444 as well as redirection of existing appropriations request of \$3,052,742, which amounts to \$11,409,186 is outlined below:

Redirecting Appropriation			
Amount	From (Account String)	To (Account String)	Funding Source
\$545,000	GL: 51200-4010-CSP-0020-P0000- PL: CSP00685AN	GL: 51200-4010-CSP-0020-P0000- PL 51873	General Fund CIP
\$500,000	GL: 43110-4011-CDD-0020-P0000- PL: CDD00487AN	GL: 51200-4011-CSP-0020-P0000- PL: PWD01093BN	General Fund Measure S CIP
\$2,007,742	GL: 43110-5830-GWP-0020-P0000- PL: GWP00660AA	GL: 43110-5830-GWP-0020-P0000- - PL: PWD01093CN	Electric Depreciation Fund
Requesting Appropriation			
Amount	From (Account String)	To (Account String)	Funding Source
\$933,000	GL: 32610-4090-CSP-0020-P0000- PL: PWD01093AG	GL:52100-4090-CSP-0020-P0000- PL: PWD01093AG	CIP Reimbursement Fund
\$1,000,000	GL: 39100-4010-0000-	GL:51200-4010-CSP-0020-P0000- PL: 51873	General Fund CIP
\$3,203,444	GL: 24242-4050-CSP-0000-	GL: 51200-4050-CSP-0020-P0000- PL: 51873	Parks Mitigation Fee Fund
\$3,220,000	GL: 24275-1070-0000-	GL: 51200-4011-CSP-0020-P0000- PL: PWD01093BN	General Fund Measure S CIP

## ENVIRONMENTAL REVIEW (CEQA/NEPA)

This project is Categorically Exempt under the provisions of the California Environmental Quality Act (CEQA) as a Class 2 exemption pursuant state CEQA

Guidelines, Section 15302.

## **CAMPAIGN DISCLOSURE**

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See Attached

## **ALTERNATIVES**

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Alternative 1: Approve the resolution dispensing with competitive bidding and authorizing the City Manager to execute a construction contract with Dorado for the Fremont Park Renovation Project and resolution of appropriation to provide adequate funding.

Alternative 2: Re-bid the project. Rebidding would cause significant delays and additional costs due to updating the plans and specifications, and a new procurement process.

Alternative 3. Do not approve the recommended actions and the Parks and Public Works Departments will continue to maintain the existing park and features, keeping them in service for as long as possible.

Alternative 4: Consider any other alternative not proposed by staff.

## **ADMINISTRATIVE ACTION**

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### **Prepared by:**

Kevin Todd, Assistant Director of Public Works

### **Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS/ATTACHMENTS**

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Exhibit 1: Campaign Finance Disclosure