



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 6, 2025

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: SECOND AMENDMENT TO THE DESIGN-BUILD AGREEMENT WITH RHOME CONSTRUCTION CORPORATION, OF BELLFLOWER, CALIFORNIA, FOR COMPLETION OF THE PERMANENT 24' X 60' STORM DRAIN MAINTENANCE BUILDING MODULAR STRUCTURE LOCATED AT RIVERSIDE'S REGIONAL WATER QUALITY CONTROL PLANT, EXTENDING THE CONTRACT TERM THROUGH JUNE 30, 2026, AND APPROVING A CHANGE ORDER FOR THE ADDITION OF A BUILDING FIRE SPRINKLER SYSTEM AND SUPPORTING INFRASTRUCTURE IN THE AMOUNT OF \$164,532 FOR A NEW NOT-TO-EXCEED AMOUNT OF \$726,395

ISSUE:

Approve the Second Amendment to the Design-Build Agreement with Rhome Construction Corporation, of Bellflower, California, for completion of the permanent 24' x 60' Storm Drain Maintenance Building Modular Structure located at Riverside's Regional Water Quality Control Plant, extending the term through June 30, 2026, and approving a Change Order for the addition of a building fire sprinkler system and supporting infrastructure in the amount of \$164,532 for a new not-to-exceed amount of \$726,395.

RECOMMENDATIONS:

That the City Council:

1. Approve the Second Amendment to the Design-Build Agreement with Rhome Construction Corporation, of Bellflower, California, to complete the Design-Build of the permanent 24' x 60' modular structure located at Riverside's Regional Water Quality Control Plant (RWQCP) extending the term through June 30, 2026;
2. Authorize the City Manager, or designee, to execute the Second Amendment to the Design-Build Agreement, including making minor and non-substantive changes, and
3. Authorize a Change Order for \$164,532 for the addition of a building fire sprinkler system and supporting infrastructure for a new total not-to-exceed Contract amount of \$726,395.

BACKGROUND:

The City of Riverside Public Works Department maintains a storm drain system consisting of over 5,000 catch basins and 190 miles of pipe. In October 2020, the team responsible for this

maintenance relocated to Riverside's Regional Water Quality Control Plant (RWQCP), located at 5950 Acorn Street, Riverside, CA 92504. The team temporarily operates out of the unoccupied Backup Power - Cogeneration Facility. The RWQCP has plans to use this building in the future, therefore the maintenance team cannot occupy this space permanently. The RWQCP is the only City facility with the space to house the Storm Drain Maintenance staff, fleet, equipment, and tools. After much consideration, a permanent 24' x 60' modular building is proposed for field crews to meet, plan, and coordinate maintenance activities. The Design-Build Entity of the project shall furnish all engineering design, labor, equipment, and materials for, and perform the work of Design-Build of Storm Drain Maintenance Building. This project was also briefly discussed during the Mobility and Infrastructure Committee meeting on May 12, 2022. A vote was not held on the matter.

On May 20, 2022, the City issued Request for Proposal (RFP) 2175 for the design-build of a Storm Drain Maintenance Building. The due date for the proposals was June 23, 2022, and the City received two responses. Proposals were received from Rhome Construction and David Bird Inc. There were a total of three City staff on the selection team. Both submittals were deemed responsive and were evaluated based on criteria stated in the RFP. The proposal from Rhome Construction scored the highest.

On March 7, 2023, the City Council approved a Design-Build Agreement with Rhome Construction Corporation, of Bellflower, California in the amount of \$561,863.00 plus a 15% contingency of \$84,279.45, for a not to exceed amount of \$646,142.45. The approved agreement had a completion date of December 31, 2023.

Following the initial approval of the Design-Build Agreement, it was determined that an extension would be needed in order to complete the project. On December 12, 2023, the City Council approved an amendment to the agreement to extend the term through December 31, 2024. Due to contractor and permitting delays, the project was not completed by this date. There is a completed design, however during the building review process staff learned of a requirement for the installation of a fire sprinkler system for the modular building. Unfortunately, at the location where the modular building would be installed, there is not currently a sufficiently large water supply line to support the fire sprinkler system. As such, this Second Amendment includes a Change Order in the amount of \$164,532.00 to install a new water supply line to the location where the modular building will be installed.

DISCUSSION:

The Public Works Department has been working with Rhome Construction Corporation on the design-build of a modular structure to support the storm drain maintenance team. At present, the modular building is largely complete and ready to be delivered to the RWQCP for installation. The approval of this Amendment and change order will enable installation of a water supply line of sufficient size to support the required fire sprinkler system for the modular building. This change will add an additional \$164,532.00 to the project cost, for a total project cost including the 15% contingency of \$810,674.45. In addition, this Second Amendment extends the Term of the Contract through June 30, 2026, to safeguard against any other unforeseen delays.

Section 1104 of Purchasing Resolution 24101 states the requirements for Change Orders and Amendments to existing Agreements. Section 1104(c) states that Awarding Entity Approval is required when the Change Order cumulatively exceeds "10% of the original contract price for Contracts and/or Purchase Orders previously approved by the Awarding Entity and the total

Change Order amount will not exceed \$150,000”; and Section 1104(d) states that Awarding Entity Approval is required when “A Contract Amendment which extends the term of the agreement beyond one year of original expiration dated”.

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101, Section 1104(c) and 1104(d).

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 4 – Environmental Stewardship** and **Goal 4.2 – Sustainably manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable, and affordable water to our community.** It also contributes to **Strategic Priority 6 – Infrastructure, Mobility and Connectivity** and **Goal 6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.**

This action aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Maintaining the storm drain system serves the public interest and supports clean water in the community and proper flow of water during significant rain events. The proposed building will provide a permanent space for the Storm Drain Maintenance staff to meet, conduct safety briefings, carry out administrative duties, store equipment, plan, and coordinate maintenance activities.
2. **Equity** –This program supports clean water throughout the City ensuring that all residents can enjoy the benefits of local waterways.
3. **Fiscal Responsibility** – The City managed an open procurement process through RFP No. 2175 ensuring the City received competitive pricing for this project. The additional funding being requested is in line with Engineering estimates prepared by staff.
4. **Innovation** –The proposed building will provide the storm drain maintenance team with an up-to-date permanent space that will improve the group’s ability to plan and coordinate maintenance activities that pertain to the storm drain system. It will also allow for the storm drain maintenance staff to have a space to collaborate and work with other departments to problem solve and create innovative ways to make improvements to storm drain infrastructure throughout the City.
5. **Sustainability & Resiliency** – Proper maintenance of the storm drain system contributes to the health of the City’s and region’s waterways.

FISCAL IMPACT:

The total fiscal impact of this this action is \$164,532.00 which includes a 15% contingency, to the existing contract for a total contract cost of \$810,674.45. Upon Council approval, a budget adjustment will be recorded in the NPDES Fund in the programs and accounts as listed in Table 1 below, which will then have sufficient funding to cover the additional contract amendment related to this report.

Table 1. Budget Adjustment

Fund	Project/Program	Account	Amount
NPDES Storm Drain	Trash Policy Implementation	4140200-450376	(\$100,000.00)
	Total Max Daily Load MSAR	4140200-450375	(\$64,532.00)
		Total Reduction:	(\$164,532.00)
	Storm Drain Field Office	9922735-440301	\$164,532.00
		Total Additions:	\$164,532.00

Prepared by: Stormy Osifeso, Wastewater Resources Analyst
 Approved by: Gilbert Hernandez, Public Works Director
 Certified as to
 availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Jack Liu, Interim City Attorney

Attachment: Agreement Second Amendment