



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 15, 2019

FROM: GENERAL SERVICES DEPARTMENT WARD: 1

SUBJECT: MEASURE Z – AWARD BID NO. 7624 TO ICON WEST INC. FOR \$34,266,308 PLUS A 10% CONTINGENCY OF \$3,426,630 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$37,692,938 TO CONSTRUCT THE NEW MAIN LIBRARY; AND ADOPT A REIMBURSEMENT RESOLUTION FOR MAIN LIBRARY CONSTRUCTION SERVICES IN AN AMOUNT NOT TO EXCEED \$44,000,000.

ISSUES:

Award Bid No. 7624 to Icon West Inc. of Los Angeles, California for \$34,266,308, plus a 10% project contingency of \$3,426,630 for a total not to exceed contract of \$37,692,938 to construct the new Main Library at 3911 University Avenue; and adopt a Reimbursement Resolution for Main Library construction services in an amount not to exceed \$44,000,000.

RECOMMENDATIONS:

That the City Council:

1. Award Bid No. 7624 to Icon West Inc. from Los Angeles, California for \$34,266,308 to construct the new Main Library;
2. Approve a Construction Agreement with Icon West Inc. from Los Angeles, California in the amount of \$34,266,308 to construct the new Main Library;
3. Authorize a 10% contingency of \$3,426,630 for unforeseen site conditions, owner requested changes and design enhancements, for a not to exceed contract amount of \$37,692,938;
4. Adopt a Reimbursement Resolution for Main Library construction services in an amount not to exceed \$44,000,000; and
5. Authorize the City Manager, or his designee, to execute the Construction Agreement with Icon West Inc. of Los Angeles, including making minor and non-substantive changes.

BACKGROUND:

In October 2006, the City Council included the Main Library as an expansion project in the Riverside Renaissance Plan. In April 2007, the City hired Pfeiffer Architects from Los Angeles to

design a 45,000 square foot shared expansion for the Main Library including a museum exhibit hall. Between 2008 and 2012, the City pursued various avenues to renovate and expand the existing library, relying on the expertise of design consultants and participation from the local community.

In June 2013, the City Council conducted a workshop on the Main Library discussing an Environmental Impact Report, exterior design options, cost estimates, and financing options. In December 2014, the City Council received an update on the Main Library designs, cost estimate and proposed financing options. In June 2015, the City Council approved additional funding to the Main Library project in order to continue the design process. Staff was also directed to look at location alternatives for a new Main Library. In September 2015, community meetings were held to receive feedback on the prospective locations.

On February 23, 2016, the City Council approved 3911 University Avenue as the location for the new Main Library and directed staff to determine funding options and concept planning for the new Main Library.

On July 20, 2016, City staff issued a Request for Qualifications (RFQ) for the development of the new Main Library design. Twenty-one firms responded to the RFQ. After scoring the proposals, an Architect Selection Committee (Committee) comprised of City staff, a Library Trustee and a local business member selected the top eight firms to submit responses to the Request for Proposals (RFP).

On November 10, 2016, City staff issued the RFP to the top eight firms with seven companies responding. The Committee reviewed and scored the proposals and agreed to invite the top four firms to participate in the interview phase of the selection process. The Committee held Interviews on March 2, 2017 and subsequently determined that Johnson-Favaro Architects (Johnson-Favaro) was the most qualified firm to perform the design services pursuant to the conditions of the RFP.

On May 9, 2017, the City Council approved a Professional Consultant Services Agreement (PSA) with Johnson-Favaro for \$1,725,000 for architectural and engineering design services for the new Main Library project.

On October 3, 2017, the City Council amended the Measure Z five-year spending plan by allocating an additional \$9,692,600 to the new Main Library project, and approved a revised Main Library design to deliver a three-story library, instead of a two-story scheme as originally planned. The City Council approved an overall project budget of \$39,692,600.

On December 19, 2017, the City Council amended the Measure Z five-year spending plan for a second time, authorizing the allocation of \$3.3 Million to construct a City Archive in the new Main Library. At that time, the approved overall project cost was \$43.3 Million for the new Main Library.

On February 27, 2018, the City Council approved a First Amendment to the PSA with Johnson-Favaro for \$342,000 for additional design services, for a revised contract of \$2,067,000, plus a \$129,630 contingency, for a total not to exceed contract of \$2,197,230. The additional design services included changing the library scheme from a two-story design as originally planned to a three-story library and adding the City Archive to the new facility.

DISCUSSION:

Before City staff bid the construction of the Main Library, Johnson-Favaro's construction cost estimator provided a revised cost estimate of \$35,760,000 to build the new Main Library project.

This cost estimate included \$3.3 million to construct a City Archive in the new Main Library as approved by the City Council, and a construction escalation cost of \$160,000.

On October 5, 2018, the City Finance/Purchasing Division posted Bid No. 7624 seeking bids from potential bidders for constructing the new Main Library, with a bid due date of December 4, 2018. The City received five highly competitive construction bids as follows:

| COMPANY | LOCATION | BID | \$35,760,000 COST ESTIMATE VARIANCE +/-(-) |
|---------------------|---------------|--------------|--|
| Icon West Inc. | Los Angeles | \$34,266,308 | (4.2%) |
| S.J. Amoroso | Costa Mesa | \$35,397,000 | (1.1%) |
| AMG | Santa Clarita | \$36,180,452 | +1.2% |
| Pinner Construction | Anaheim | \$36,244,225 | +1.4% |
| Pro West PCM | Wildomar | \$36,803,310 | +2.9% |

The City Finance/ Purchasing Division determined all bids were responsive and recommended to award the construction project to Icon West Inc. of Los Angeles (Contractor) as the lowest responsive bidder.

Staff anticipates issuing a Construction Notice to Proceed in January 2019 to the Contractor requiring the Contractor complete construction of the new Main Library within 480 calendar days (16 months) thereafter, or by May 2020.

Cheech Marin Center for Chicano Art, Culture and Industry

On October 16, 2018, the City Council approved the Cheech Marin Center for Chicano Art, Culture and Industry project (Cheech Marin Center) fundraising update and authorized staff to move forward with the renovation of the existing Main Library into the Cheech Marin Center. The Cheech Marin Center is currently in the design phase to develop construction bid documents. The project renovations are expected to take approximately 12 months to complete starting in May 2020. The anticipated construction schedules of both the new Main Library and the Cheech Marin Center projects will allow library staff to relocate into the new Main Library without the need for a temporary interim library facility and renovate the existing library as planned.

The Library Director and Chief Financial Officer concur with this report.

FISCAL IMPACT:

The revised overall projected cost for the new Main Library project is \$43.3 million as summarized below:

| Description | Costs |
|---|---------------------|
| Construction Agreement (Icon West Inc.) | \$34,266,308 |
| 10% Contingency | \$3,426,630 |
| Total Construction Cost | \$37,692,938 |
| Design Fees | \$2,197,230 |

| | |
|--|---------------------|
| Project Management, Utility Fees and Permits | \$500,000 |
| Furniture, Fixtures & Equipment (FF&E) | \$2,609,832 |
| Main Library Overall Projected Costs | \$43,300,000 |

It is anticipated that the entirety of the project less a \$3,300,000 cash contribution for the City Archive component of the Library will be financed using Bond proceeds. Bond financing is in process and expected to be completed to coincide with construction start up in an amount not to exceed \$44,000,000 inclusive of Bond issuance costs. Annual debt service will be paid for with Measure Z funding and has been budgeted for in the FY 2018-2020 budget. Following the receipt and appropriation of debt proceeds, sufficient funds in the amount of \$43,300,000 will be available in the Measure Z Downtown Library Account Number 9990509-462050. The reimbursement resolution included with this report will authorize the City to reimburse any Measure Z funding needed to be expended prior to the completion of bond financing. There are sufficient funds available in Measure Z reserves; however, anticipated startup costs are expected to be minimal.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Finance/Purchasing Division Bid Recommendation
2. Reimbursement Resolution
3. Presentation