



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** NOVEMBER 7, 2017

FROM: GENERAL SERVICES DEPARTMENT **WARD:** 3

SUBJECT: AWARD CONSTRUCTION AGREEMENT FROM BID NO. 7432 FOR PAINTING OF AIRCRAFT HANGAR STRUCTURES TO U.S. NATIONAL CORPORATION OF PACOIMA, CALIFORNIA IN THE AMOUNT OF \$62,000 AND AUTHORIZE 25% CHANGE ORDER AUTHORITY UP TO \$15,500 FOR A TOTAL AMOUNT OF \$77,500 – SUPPLEMENTAL APPROPRIATION

ISSUES:

Award a Construction Agreement to U.S. National Corporation, Pacoima, California, in response to Bid No. 7432 for the painting of six (6) aircraft hangar structures at the Riverside Municipal Airport in the amount of \$62,000 and authorize 25% change order authority up to \$15,500 for a total amount of \$77,500.

RECOMMENDATIONS:

That the City Council:

1. Award a Construction Agreement to U.S. National Corporation, Pacoima, California in the amount of \$62,000 for the painting of six (6) aircraft hangar structures at the Riverside Municipal Airport;
2. Authorize 25% change order authority in an amount up to \$15,500 for project changes including, but not limited to, unforeseen conditions, design changes and additional project improvements;
3. Authorize a supplemental appropriation of \$77,500 from the Airport Fund Balance Account Number 0000530-298000 to a project account to be assigned by the Finance Department under the Airport 530 Fund; and,
4. Authorize the City Manager, or his designee, to execute a Construction Agreement with U.S. National Corporation including making minor and non-substantive changes.

BACKGROUND:

Three years ago, the Riverside Municipal Airport (Airport) began a program to upgrade

infrastructure and market the Airport to increase its competitive profile when compared to the eight general aviation airports in Riverside's area of influence. The Airport is currently the second busiest general aviation airport based on activity (landings, take-offs and hangar capacity) with a waiting list for potential hangar tenants.

The City has made ongoing investments at the Airport such as reconstructing the main runway and taxiway, implemented cost saving retrofits such as installing water efficient devices and Light Emitting Diode (LED) lighting as well as marketing to increase awareness of the Airport's benefits.

The Airport is regularly assessing the condition of its facilities and infrastructure to ensure high standards are maintained. Airport staff has identified six (6) aircraft hangar structures which have not been painted in over 15 years. The current condition of the hangars degrades the appearance of the airport and exposes the structures to the elements accelerating deterioration of the hangar structures.

DISCUSSION:

On September 9, 2017, the Purchasing Division of the Finance Department posted Bid No. 7432 to provide painting services for six (6) aircraft hangar structures. Eleven (11) responses were received. U.S. National Corporation was deemed the lowest responsive bidder in the amount of \$62,000, 24% lower than the next lowest bid. Painting the aircraft hangar structures will allow continuation of the Airport Improvement Plan.

Due to the age and condition of the buildings, staff is requesting additional change order authority in the amount of \$15,500 (25%) to address unforeseen conditions such as additional preparation for paint application, minor repairs to metal surfaces, and excessive surface rust conditions.

The Airport is also requesting authority to appropriate \$77,500 from the Airport Revenue Fund. This amount will allow sufficient funding for the project and funds for unanticipated change orders due to the age and condition of the hangars, and/or design changes if additional painting or minor repair needs are discovered.

The Purchasing Manager concurs that the recommendation actions comply with the City of Riverside's Purchasing Resolution No. 22576.

FISCAL IMPACT:

There is no fiscal impact to the General Fund. Funds in the amount of \$77,500 are available in the Airport Fund Balance Account Number 0000530-298000 for the Hangar Painting 2017 project.

Prepared by: Carl Carey, General Services Director

Certified as to

Availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer

Approved by: Marianna Marysheva, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachment: Bid Recommendation