



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: FEBRUARY 5, 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
<b>Total Construction Cost</b>	<b>\$37,692,938</b>
Design Fees	\$2,197,230

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

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 paid for by one of several financing options. In conjunction with this report, a report on financing options will be presented to City Council for consideration.

In the event that traditional bond financing is chosen, debt service for the library financing has been included in the Measure Z five year plan. 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

# BID AWARD RECOMMENDATION

CITY OF RIVERSIDE  
 Finance Department  
 Form No. 142-8R3

DATE SUBMITTED: 01/15/2018

BID NO.  7624	BID TITLE  Construction of the New City of Riverside Main Library	DEPARTMENT/DIVISION  General Services
		DATE BID OPENED  12/04/2018
BIDS RECEIVED (5)                      INVITATIONS ISSUED (Online)                      ESTIMATED COST: \$34,266,308.00		


BIDDERS:	BID PRICE GOOD THROUGH: April 3, 2019	AMOUNT BID
Icon West Inc.	Los Angeles, CA	\$34,266,308.00
S.J. Amoroso Construction Co., Inc.	Costa Mesa, CA	\$35,397,000.00
AMG & Associates, Inc.	Santa Clarita, CA	\$36,180,452.00
Pinner Construction Co., Inc.	Anaheim, CA	\$36,244,225.00
ProWest PCM, Inc.	Wildomar, CA	\$36,803,310.00

**BID DESCRIPTION:** Provide all labor, materials and equipment necessary for the construction of the New City of Riverside Main Library in accordance with attached plans and technical specifications in compliance with all City of Riverside, Federal and State of California labor reporting requirements, and all other applicable reporting requirements as detailed in the sample contract.

Bid Recommended For Award (Includes Sales Tax)       10% Surety Included       Contract  
     10% Surety not required       Purchase Order

Lowest Responsible Bidder	Amount of Award
Icon West Inc.	\$34,266,308.00

**COMMENTS:**  
 The Purchasing Division has evaluated all bids received and recommends award be made to the lowest responsive and responsible bidder in compliance with Purchasing Resolution 23256. The General Services Department concurs with this recommendation and will be submitting a report.

Submitted by:  for                      Date: 12-21-18                      Purchasing Manager

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF RIVERSIDE, CALIFORNIA, DECLARING ITS OFFICIAL INTENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES RELATING TO THE CONSTRUCTION OF THE MAIN LIBRARY FROM PROCEEDS OF DEBT TO BE ISSUED PURSUANT TO SECTION 1.150-2 OF TITLE 26 OF THE U.S. CODE OF FEDERAL REGULATIONS.

WHEREAS, the City Council of the City of Riverside (“City”) desires and intends to undertake the design, construction, and equipping of the Main Library (“Project”); and

WHEREAS, Resolution No. 23275 previously authorized Two Million One Hundred Ninety-Seven Thousand Two Hundred Thirty Dollars (\$2,197,230) for the Project design costs to be advanced by the City’s Measure Z Fund; and

WHEREAS, some or all of the Project construction costs, in the approximate amount of Thirty-Seven Million Six Hundred Ninety-Two Thousand Nine Hundred Thirty-Eight Dollars (\$37,692,938), will need to be advanced by the City’s Measure Z Fund; and

WHEREAS, the total amount which will need to be advanced by the City’s Measure Z Fund for the Project will not exceed Forty-Four Million Dollars (\$44,000,000); and

WHEREAS, the City intends to issue debt instruments to finance a portion or all of the Project (“Debt”); and

WHEREAS, the City expects that the maximum principal amount of the Debt will not exceed Forty-Four Million Dollars (\$44,000,000); and

WHEREAS, the City reasonably intends to reimburse the City’s Measure Z Fund for the amounts advanced for the Project from proceeds of the Debt; and

WHEREAS, at the time of the reimbursement, the City will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Debt to the costs of the Project to be reimbursed; and

WHEREAS, the City expects to issue the Debt and make the reimbursement allocation no later than: (i) three (3) years after the earliest reimbursed Project expenditure is paid; and (ii) 18 months after the later of the date of the earliest reimbursed Project expenditure is paid and the date the Project is placed in service; and

WHEREAS, the City will not, within one (1) year of the reimbursement allocation, use the

1 proceeds of the Debt received in the reimbursement allocation in a manner that will result in the  
2 creation of replacement proceeds of the Debt or another issue (e.g., the City will not pledge or use the  
3 proceeds received from the Debt to debt service of the Debt or debt service of another issue, except  
4 that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

5 WHEREAS, this Resolution is intended to be a “declaration of official intent” in accordance  
6 with Title 26 of the Code of Federal Regulations Section 1.150-2 (“Treasury Regulation Section 1.150-  
7 2”).

8 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside,  
9 California, that in accordance with Treasury Regulation Section 1.150-2, the City hereby states its  
10 declaration of its intention to issue the Debt, the proceeds of which will be used to pay the costs of the  
11 Project in an amount not to exceed of Forty-Four Million Dollars (\$44,000,000) and which will include  
12 reimbursement to the City’s Measure Z Fund of said funds expended prior to issuance of the Debt for  
13 the Project.

14 ADOPTED by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2019.

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16 \_\_\_\_\_  
17 WILLIAM R. BAILEY, III  
18 Mayor of the City of Riverside

19 Attest:

20 \_\_\_\_\_  
21 COLLEEN J. NICOL  
22 City Clerk of the City of Riverside  
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1 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the  
2 foregoing resolution was duly and regularly adopted at a meeting of the City Council on the \_\_\_\_\_  
3 day of \_\_\_\_\_, 2019, by the following vote, to wit:

4 Ayes:

5 Noes:

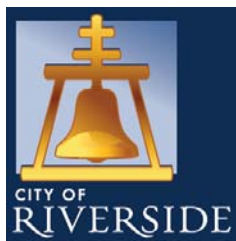
6 Absent:

7 Abstain:

8 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the  
9 City of Riverside, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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12 COLLEEN J. NICOL  
13 City Clerk of the City of Riverside  
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# NEW MAIN LIBRARY

General Services Department

City Council  
February 5, 2019



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## INITIAL RENOVATION EFFORTS

1. October 2006 - Council included the Main Library as an expansion project in the Riverside Renaissance Plan.
2. April 2007 – City hired Pfeiffer Architects to design a 45,000 sq ft library shared expansion with an exhibit hall for the museum.
3. From 2008 thru 2012 – City pursued various options to renovate and expand the existing library with community participation.



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## SHAPING THE NEW MAIN LIBRARY

1. June 2013 – Council held a workshop to discuss an Environmental Impact Report, design options, cost estimates and financing options.
2. December 2014 – Council received an update on design options, cost estimates and financing options.
3. June 2015 – Council approved additional funding to the project for design services and directed staff to research prospective locations.



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## NEW MAIN LIBRARY LOCATION

1. September 2015 – Community meetings were held to receive feedback on prospective locations.
2. February 2016 – Council approved 3911 University Avenue as the location for the new Main Library and directed staff to determine funding options and complete conceptual planning.



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## NEW LIBRARY LOCATION



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## SELECTING A DESIGNER

1. November 2016 – Staff issued an RFP to the top 8 firms, with 7 firms responding. A consultant selection committee reviewed the RFP responses and top 4 firms were interviewed.
2. March 2017 – Consultant selection committee determined Johnson-Favaro Architects of Los Angeles as the most qualified firm to design the new Main Library.
3. May 2017 – Council approved a Professional Consultant Services Agreement (PSA) with Johnson-Favaro for \$1,725,000 to design the new Main Library.

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# NEW LIBRARY FACADE



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# NEW LIBRARY PERSPECTIVE VIEW



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## OVERALL PROJECT BUDGET

1. October 2017 – Council amended the Measure Z spending plan and allocated an additional \$9,692,600 and approved a 3-story library instead of a 2-story scheme for an overall project budget of \$39,692,600.
2. December 2017 – Council amended the Measure Z spending plan for a second time allocating \$3.3 Million to construct a City archive in the new Main Library for an overall project budget of \$43.3 Million.
3. February 2018 – 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 design contingency of \$129,630 for a not to exceed contract of \$2,197,230.



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## BIDDING EFFORTS

1. In September 2018, Johnson-Favaro's cost estimator revised the cost estimate to \$35,760,000 for constructing the new Main Library; including \$3.3 Million to construct the City archive in the new library and construction escalation costs of \$160,000.
2. On October 5, 2018, staff posted Bid No. 7624 seeking bids from contractors to construct the new Main Library.



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## BID RESULTS

On December 4, 2018, the City received 5 bids:

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%



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## ANALYSIS OF BIDS

1. City Purchasing Division determined all bids to be responsive and recommended to award Bid No. 7624 to lowest bidder Icon West of Los Angeles (Contractor).
2. Issuance of a Construction Notice to Proceed in January 2019 would require the Contractor to complete the new Main Library within 16 months, or by May 2020.



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## DISCUSSION

### CHEECH MARIN CENTER FOR CHICANO ART, CULTURE AND INDUSTRY

1. October 2018 – City Council approved the Cheech Marin Center for Chicano Art, Culture and Industry (Cheech Marin Center) funding update and authorized the renovation of the existing library into the Cheech Marin Center.
2. The Cheech Marin Center is currently in the design phase.
3. The project renovations are expected to take about 12 months to complete starting in May 2020.



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## TIMELINE

1. New Main Library project is to be completed in May 2020, and the renovation of the existing library into the Cheech Marin Center will start in May 2020.
2. Staff anticipates the new Main Library and Cheech Marin Center project schedules will allow library staff to relocate into the new library without the need for a temporary interim library facility.



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## OVERALL PROJECT FISCAL BREAKDOWN

Description	Costs
Construction Agreement (Icon West Inc.)	\$34,266,308
10% Contingency	\$3,426,630
<b>Total Construction Cost</b>	<b>\$37,692,938</b>
Design Fees	\$2,197,230
Project Management, Utility Fees and Permits	\$500,000
Furniture, Fixtures & Equipment (FF&E)	\$2,609,832
<b>Main Library Overall Projected Costs</b>	<b>\$43,300,000</b>



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## 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;



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## RECOMMENDATIONS (CONT.)

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.

