



City of Arts & Innovation

Airport Commission

TO: HONORABLE COMMISSIONERS

DATE: JANUARY 14, 2021

FROM: GENERAL SERVICES DEPARTMENT

SUBJECT: RESCIND AWARD OF BID NO. 7618 AND AWARD BID NO. 7790 FOR A CONSTRUCTION AGREEMENT WITH HOUALLA ENTERPRISES LTD, DOING BUSINESS AS METRO BUILDERS & ENGINEERING GROUP, LTD FOR CONSTRUCTION OF AN AIRPORT OBSERVATION DECK AT RIVERSIDE MUNICIPAL AIRPORT IN THE AMOUNT OF \$219,889 PLUS A 15% CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$32,983 FOR A TOTAL PROJECT COST OF \$252,872 – SUPPLEMENTAL APPROPRIATION

ISSUE:

The item for Airport Commission consideration is to 1) rescind the award of Bid No. 7618 and 2) award Bid No. 7790 for a Construction Agreement with Houalla Enterprises LTD, doing business as Metro Builders & Engineering Group, LTD of Newport Beach, California for construction of an Airport observation deck at Riverside Municipal Airport in the amount of \$219,889 plus a 15% change order authority in the amount of \$32,983 for a total project cost of \$252,872

RECOMMENDATION:

That the Airport Commission recommend City Council:

1. Rescind the award of Bid No. 7618 for a Construction Agreement with New Millennium Construction Services, Inc. of Chino Hills, California, for the Riverside Municipal Airport Terminal Patio Deck Reconstruction in the amount of \$115,890;
2. Award Bid No. 7790 for a Construction Agreement with Houalla Enterprises LTD, doing business as Metro Builders & Engineering Group, LTD of Newport Beach, California for construction of an Airport observation deck at Riverside Municipal Airport in the amount of \$219,889;
3. Authorize a 15% change order authority in an amount up to \$32,983 for project changes including, but not limited to, unforeseen conditions and design improvements;
4. Approve a supplemental appropriation in the amount of \$134,304 from the Airport Fund (530) to Account No. 9903400-440301; and

5. Authorize the City Manager, or his designee, to execute a Construction Agreement with Houalla Enterprises LTD, doing business as Metro Builders & Engineering Group, LTD, including making minor and non-substantive changes.

BACKGROUND:

The Riverside Municipal Airport Terminal Building was originally constructed in 1968 and featured a patio deck that allowed patrons to view runway operations. Major repairs to the deck were made in 1998 and minor repairs have been made over the past five years, including modification of the patio deck staircases. Years of sun exposure, termite damage and aging of the structure have resulted in the need to reconstruct the deck to meet current industry standards.

On September 13, 2018, the Airport issued Bid No. 7618 seeking a qualified contractor to reconstruct the Riverside Municipal Airport Terminal Patio Deck. The project scope included the demolition and reconstruction of the patio deck.

Bid No. 7618 closed on October 10, 2018, with three responses received. The Purchasing Division reviewed the responses and determined that New Millennium Construction Services, Inc. was the most qualified and responsive bidder.

New Millennium Construction Services, Inc. failed to provide the performance and payment bonds that are required for the construction contract. Review of the remaining two bids identified an additional \$80,000 in project costs and the project was placed on hold due to cost.

On September 17, 2020, the Airport issued Bid No. 7790 seeking a qualified contractor to reconstruct the Riverside Municipal Airport Terminal Patio Deck. The project scope included the demolition and reconstruction of the patio deck.

Bid No. 7790 closed on October 2, 2020, with six responses received. The Purchasing Division reviewed the responses and determined that Houalla Enterprises LTD, doing business as Metro Builders & Engineering Group, LTD was the most qualified and responsive bidder.

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution 23256.

FISCAL IMPACT:

The fiscal impact of this action is \$219,889. An initial appropriation of \$118,568 from the Airport Revenue Fund (530) was included in the 2018-19 Capital Improvement Project (CIP) budget. The Airport is also requesting authority to allocate an additional \$134,304 from the Airport Revenue Fund (530) to meet building standards outlined in the bid proposals received, for a project total of \$252,872. This amount will allow for sufficient funding for the proposed project as well as provide contingency funds for unanticipated change orders due to the age and condition of the existing infrastructure. These funds will be assigned to project account 9903400-440301.

Prepared by: Kim Ellis, Airport Manager
Approved by: Carl Carey, General Services Director
Approved by: Moises Lopez, Deputy City Manager