



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 9, 2020

FROM: GENERAL SERVICES DEPARTMENT WARD: 3

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 THE 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:

Rescind the 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 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 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. Approve the award of 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 the 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.

AIRPORT COMMISSION RECOMMENDATION:

On January 14, 2021, the Airport Commission unanimously recommended that the City Council 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 and approve a 15% change order authority in the amount of \$32,983 for a total project cost of \$252,872.

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 (3) 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.

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 including additional structural improvements and a new staircase to adhere to building code requirements.

Bid No. 7790 closed on October 2, 2020, with six (6) 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. Cash reserves in the Airport Fund are approximately \$1 million. The Airport is requesting authority to allocate \$134,304 from the Airport Fund (530) reserves 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 in the Airport Fund.

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: Kristi J. Smith, Interim Assistant City Attorney

Attachment: Bid Recommendation