



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: JANUARY 28, 2025**

**FROM: AIRPORT DEPARTMENT**      **WARD: 3**

**SUBJECT: APPROVE A CHANGE ORDER IN THE AMOUNT OF \$56,875.72 TO PURCHASE ORDER NO. 212710 WITH PACIFIC INTERNATIONAL ELECTRIC COMPANY, INC., BREA, DBA PACIFIC INDUSTRIAL ELECTRIC FOR RUNWAY 16/34 WINDSOCK RELOCATION AND EMERGENCY GENERATOR INSTALLATION PROJECT AT RIVERSIDE MUNICIPAL AIRPORT FOR A TOTAL PURCHASE ORDER AMOUNT OF \$199,827.72**

**ISSUE:**

Approve a change order in the amount of \$56,875 to Purchase Order No. 212710 with Pacific International Electric Company, Inc., Brea, dba Pacific Industrial Electric for Runway 16/34 Windsock Relocation and Emergency Generator Installation Project at Riverside Municipal Airport for a total Purchase Order amount of \$199,827.72.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the change order in the amount of \$56,875.72 to Purchase Order No. 212710 with Pacific International Electric Company, Inc., Brea, dba Pacific Industrial Electric for Runway 16/34 Windsock Relocation and Emergency Generator Installation Project at Riverside Municipal Airport for a total Purchase Order amount of \$199,827.72; and
2. Authorize the City Manager or designee to execute any purchase orders, agreements, and other documents.

**BACKGROUND:**

In January 2020, a Federal Aviation Administration (FAA) Airport Capital Improvement Program grant application was submitted. During normal grant year application periods, the FAA covers 90% of an approved project, with the State of California matching 5% of the federal share. The Airport would then be responsible for the balance of the project costs.

On March 25, 2020, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act authorized the FAA to provide 100% of the approved grant funding for Fiscal Year 2020 applications. The CARES Act saves the Airport approximately

\$20,000, presuming the State of California would have provided the matching 5%.

On June 2, 2020, the City Council approved the acceptance of a \$370,000 Federal Aviation Administration Fiscal Year 2020-21 Grant for an emergency generator, Airfield LED signage conversion, relocation of Runway 16/34 windsock and Taxiway "A" Pavement Condition Index study.

On May 28, 2020, the Purchasing Division of the Finance Department posted Bid No. 7762 to provide construction services for the windsock relocation and emergency generator installation projects. Twenty-eight companies downloaded bid documents, and seven responses were received. R & H Industries bid the lowest amount at \$128,178.65 but was deemed non-responsive because R & H Industries failed to meet all CSLB license requirements outlined in the Bid Specifications. Champion Electric, Inc. bid the next lowest amount of \$139,500 but was deemed non-responsive because Champion Electric, Inc. did not include 5 Bid Response Forms out of 22 required bid response forms. Pacific International Electric Company of Brea, California was deemed the lowest, responsive bidder with a bid amount of \$142,952.

On September 1, 2020, the City Council approved Award Bid No. 7762 for a Construction Agreement with Pacific International Electric Company of Brea, California, for Runway 16/34 windsock relocation and emergency generator installation projects at Riverside Municipal Airport in the amount of \$142,952 plus a 10% contingency in the amount of \$14,259.20 for a total project cost not to exceed \$157,247.20.

## **DISCUSSION:**

The contractor has submitted change orders that increase the contract amount from \$142,952 to \$199,827.72. There was only a 10% contingency in the amount of \$14,259.20 for a total project cost not to exceed \$157,247.20 in the original contract. Based on the change order requests from the contractor, the increase is above the previously approved amount and requires a change order amount of \$56,875.72.

Change Order No.1: To cover the cost increase of the selected generator and the ATS (the original quote for the generator was made during the bid process back in 2020).

Change Order No. 2: This change order included labor, materials and subcontractor cost increase to update the original cost to today's dollars.

Change Order No. 3: This change order includes the additional concrete pad for the Automatic Transfer Switch, concrete testing and additional ground rods to meet FAA grounding requirements.

Purchasing Resolution 24101 Section 1104 Change Orders states, "Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval.... (c) 10% of the original contract price for Contracts and/or Purchase Orders previously approved by the Awarding Entity and the total Change Order amount will not exceed \$150,000."

The Purchasing Manager concurs that the recommendations are in compliance with Purchasing Resolution 24101.

## **STRATEGIC PLAN ALIGNMENT:**

This item supports Strategic Priority No. 6 – Infrastructure, Mobility & Connectivity and supports Goal 6.2 – Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with EACH of the Cross-Cutting Threads of the City's Strategic Plan as described below:

1. **Community Trust** – This project provides assurance to pilots and tenants of Riverside Municipal Airport that significant investments are being made to improve the airfield.
2. **Equity** – All bids received through PlanetBids are reviewed for completeness and adherence to the bid requirements, ensuring equitable treatment.
3. **Fiscal Responsibility** – This project was competitively bid in accordance with Purchasing Resolution 24101, ensuring that the best pricing for materials and services was obtained.
4. **Innovation** – As the Riverside Municipal Airport continues to use innovative practices to improve the guest experience, this project will enable pilots to land their planes safely at the airport.
5. **Sustainability & Resiliency** – This project will result in new airfield safety and traffic control.

## **FISCAL IMPACT:**

The fiscal impact of this action is \$56,875.72. Sufficient funds to cover the increase in the change order are budgeted and available in the Airport Fund, Airport Emergency Generator Project account number 9270420-440301.

Prepared by:	Daniel Prather, Airport Manager
Approved by:	Daniel Prather, Airport Manager
Certified as to	
availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Jack Liu, Interim City Attorney
Attachments:	Change Order