



City Council Staff Report

DATE: October 7, 2015

CONSENT CALENDAR

SUBJECT: AWARD A CONSTRUCTION CONTRACT TO CCS CONTRACTORS INC., A CALIFORNIA CORPORATION, IN THE AMOUNT OF \$157,500 FOR THE FIRE STATION NO. 2 CHILLER REPLACEMENT, CITY PROJECT NO 14-17

FROM: David H. Ready, City Manager

BY: Public Works & Engineering Department

SUMMARY

Award of this contract will allow the City to proceed with construction of the Fire Station No. 2 Chiller Replacement, City Project No. 14-17.

RECOMMENDATION:

1. Award a construction contract (Agreement No. ____) to CCS Contractors, Inc., a California corporation, in the amount of \$157,500 for the Fire Station No. 2 Chiller Replacement, City Project No. 14-17; and
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

Utilizing the City's on-call architectural services agreement, staff entered into an agreement with Urruita Architects to provide architectural and engineering services for the replacement of an HVAC chiller at Fire Station No. 2. The construction will consist of the demolition and construction of chiller footing/pad, replacement of existing chiller and related components, roof mounted exhaust fan, ductwork, hydronic piping with insulation and components, refrigerant leak detection system, replacement of existing conduit and conductors, and miscellaneous plywood/stucco patch work related to the chiller replacement for the roof and ceiling of the building. An aerial map of the site is identified below and a vicinity map is included in **Attachment 1**.

ITEM NO. 24



Location Map

The construction drawings for the Fire Station No. 2 Chiller Replacement, City Project No. 14-17, (the "Project"), were prepared by Urruita Architects and have been reviewed and approved by the City's Building Department. On July 15, 2015, the City Council approved the plans, specifications and estimate and authorized staff to advertise and solicit bids the Project. Subsequently, on August 27, 2015, the Procurement and Contracting Division received four construction bids from the following contractors:

Company	Location	Bid Amount
CCS Contractors, Inc.	Riverside, CA	\$157,500
Dalke & Sons Construction, Inc.	Riverside, CA	\$183,480
Inland Mechanical Construction, Inc.	Lake Elsinore, CA	\$190,000
Los Angeles Air Conditioning, Inc.	La Verne, CA	\$212,000

A full bid summary is included as **Attachment 2**. The final construction estimate was \$161,350.

Public Works Contractor Registration Law (SB 854)

Under California Labor Code Section 1771.1, as amended by Senate Bill (SB) 854 (2014), unless registered with the State of California Department of Industrial Relations (DIR), a contractor may not bid, nor be listed as a subcontractor, for any bid proposal submitted for public works projects on or after March 1, 2015. Similarly, a public entity cannot award a public works contract to a non-registered contractor, effective April 1, 2015. Staff has reviewed the DIR's contractor registration database, and has confirmed that Hot Line Construction, Inc., is registered with the DIR, and is appropriately licensed.

CCS Contractors, Inc., a California corporation, ("CCS"), of Riverside, California submitted the lowest responsive bid. Staff reviewed the CCS's bid, references, and contractor's license, and found CCS to be properly licensed and qualified. A construction contract with CCS for the Project is included as **Attachment 3**.

Local Business Preference Compliance

Section 7.09.030 of the Palm Springs Municipal Code, "Local Business Preference Program," requires prime contractors to use good faith efforts to sub-contract the supply of materials and equipment to local business enterprises and to sub-contract services to businesses whose work force resides within the Coachella Valley. CCS is not considered a local business, however, CCS demonstrated sufficient evidence of good faith efforts to sub-contract the supply of materials and equipment to local business enterprises.

ENVIRONMENTAL IMPACT:

Section 21084 of the California Public Resources Code requires Guidelines for Implementation of the California Environmental Quality Act ("CEQA"). The Guidelines are required to include a list of classes of projects which have been determined not to have a significant effect on the environment and which are exempt from the provisions of CEQA. In response to that mandate, the Secretary for Resources identified classes of projects that do not have a significant effect on the environment, and are declared to be categorically exempt from the requirement for the preparation of environmental documents. In accordance with Section 15302 "Replacement or Reconstruction," Class 2 projects consist of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have a substantially the same purpose and capacity as the structure replaced; therefore, the Fire Station No. 2 Chiller Replacement is considered categorically exempt from CEQA, and a Notice of Exemption has been prepared and will be filed with the Riverside County Clerk. A copy of the Notice of Exemption is included as **Attachment 4**.

FISCAL IMPACT:

A total of \$60,000 was previously budgeted for the project through Measure J Capital Project Fund (Fund 260) for the Project. This initial budget was anticipated as the cost to replace the chiller equipment; however, as the original building was constructed in 1975, in order to replace the existing chiller a substantial amount of additional work associated with the electrical and mechanical systems is required to comply with current Building Codes. This additional work was estimated at \$100,000 and was unknown by the Fire Department at the time this project was initially estimated. As reported to the City Council on July 15, 2015, an additional appropriation of \$124,177 was anticipated to fully fund the Project.

On September 24, 2015, the Measure J Commission reviewed the status of several pending capital projects funded through the Measure J Capital Improvement Fund. At that time, staff reported a budget shortfall of \$133,077 to include sufficient budget for award of the contract and construction support/administration services. The Measure J Commission did vote to recommend that the City Council appropriate an additional budget of \$133,077 from the contingency reserve fund held in the Measure J Unscheduled Capital Projects, Account No. 260-4500-50000, for the Project. Currently, the balance in this Account is \$1,388,833.

Staff recommends that the City Council approve the additional budget of \$133,077 from the contingency reserve fund to be appropriated to the Project in Account No. 260-4500-59450. On the basis of this additional appropriation, the Project budget and estimated expenditures are identified in Table 1.

Table of Project Costs	Amount
FY 15/16 Budget Appropriation (Measure J)	\$133,077
FY 13/14 Measure J Fund	\$60,000
Design Services	(\$13,524)
Project Administration (through 9/4/15)	(\$1,044)
Project Administration (Estimated)	(\$5,000)
Construction Inspection (Estimated)	(\$15,000)
Construction Contract	(\$157,500)
Remaining Balance	\$1,009

Table 1

With the City Council's approval of the additional budget appropriation of \$133,077 from the Measure J Capital Improvement Fund contingency reserve, sufficient funding will be available in Account No. 260-4500-59450 to award the contract.

SUBMITTED:



Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager/City Engineer



David H. Ready, Esq., Ph.D.
City Manager

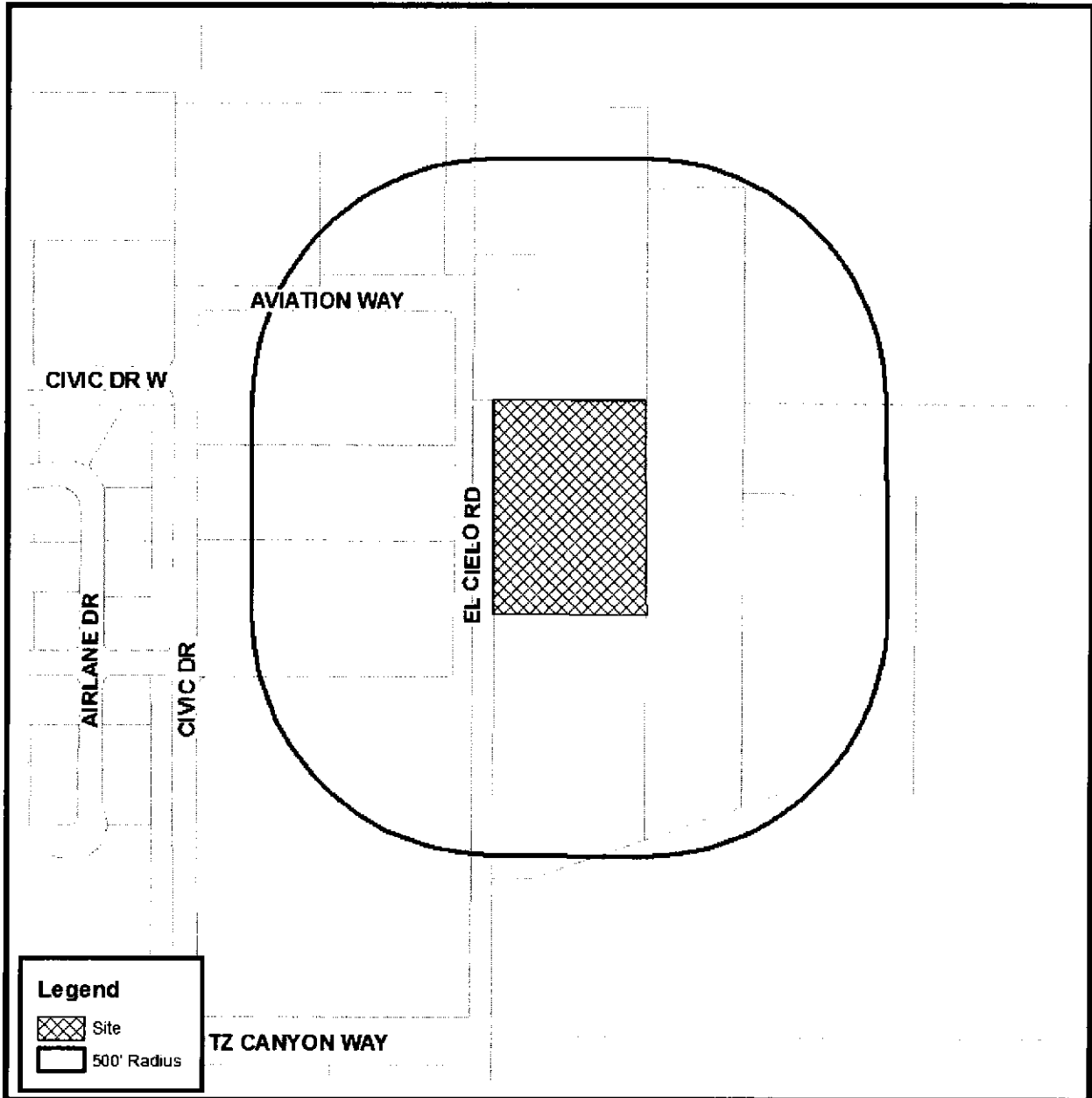
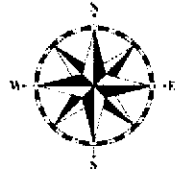
Attachments:

1. Vicinity Map
2. Bid Summary
3. Construction Contract
4. CEQA Notice of Exemption

ATTACHMENT 1



Department of Public Works and Engineering Vicinity Map



CITY OF PALM SPRINGS

ATTACHMENT 2

FIRE STATION NO. 2 HVAC CHILLER REPLACEMENT, CITY PROJECT NO. 14-17

BID SUMMARY

Bid Opening: August 27, 2015

BID SCHEDULE	QUANT.	UNIT	CCS CONTRACTORS	DALKE & SONS CONSTRUCTION	INLAND MECHANICAL CONSTRUCTION	LOS ANGELES AIR CONDITIONING
DESCRIPTION						
The Work involves the replacement of the existing chilled water system at Fire Station No. 2 located at 300 N. El Cielo Road, consisting of: selective demolition; removal existing chilled water system; furnishing and installing a complete new chilled water system consisting of a factory assembled chiller with water cooled condenser, refrigeration circuits, and integrated microprocessor based DDC controls package (Trane Model No. CGWQ52 or approved equal); furnishing and installing new exhaust fans and all required exhaust and duct work; all mechanical, electrical, and plumbing system connections and improvements; construction of concrete foundations; remodel of existing roofing system; and all appurtenant work.	1	LS	\$157,500.00	\$183,480.00	\$190,000.00	\$212,000.00

TOTAL =	\$157,500.00	\$183,480.00	\$190,000.00	\$212,000.00
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ATTACHMENT 3

**AGREEMENT
(CONSTRUCTION CONTRACT)**

THIS AGREEMENT made this ___ day of _____, 2015, by and between the City of Palm Springs, a charter city, organized and existing in the County of Riverside, under and by virtue of the laws of the State of California, hereinafter designated as the City, and CCS Contractors, Inc., a California corporation, hereinafter designated as the Contractor.

The City and the Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 -- THE WORK

For and in consideration of the payments and agreements to be made and performed by City, Contractor agrees to furnish all materials and perform all work required to complete the Work as specified in the Contract Documents, and as generally indicated under the Bid Schedule(s) for the Project entitled:

**FIRE STATION NO. 2 CHILLER REPLACEMENT
CITY PROJECT NO. 14-17**

The Work includes the replacement of the existing chilled water system at Fire Station No. 2 located at 300 N. El Cielo Road, consisting of: selective demolition; removal existing chilled water system; furnishing and installing a complete new chilled water system consisting of a factory assembled chiller with water cooled condenser, refrigeration circuits, and integrated microprocessor based DDC controls package (Trane Model No. CGWQ52 or approved equal); furnishing and installing new exhaust fans and all required exhaust and duct work; all mechanical, electrical, and plumbing system connections and improvements; construction of concrete foundations; remodel of existing roofing system; and all appurtenant work.

ARTICLE 2 -- COMMENCEMENT AND COMPLETION

The Work to be performed under this Contract shall commence on the date specified in the Notice to Proceed by the City, and the Work shall be fully completed within the time specified in the Notice to Proceed.

The City and the Contractor recognize that time is of the essence of this Agreement, and that the City will suffer financial loss if the Work is not completed within the time specified in Article 2, herein, plus any extensions thereof allowed in accordance with applicable provisions of the Standard Specifications, as modified herein. They also recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, the City and the Contractor agree that as liquidated damages or delay (but not as a penalty), the Contractor shall pay the City the sum specified in Section 6-9 of the Special Provisions for each calendar day that expires after the time specified in Article 2, herein. In executing the Agreement, the Contractor acknowledges it has reviewed the provisions of the Standard Specifications, as modified herein, related to liquidated damages, and has made itself aware of the actual loss incurred by the City due to the inability to complete the Work within the time specified in the Notice to Proceed.

ARTICLE 3 -- CONTRACT PRICE

The City shall pay the Contractor for the completion of the Work, in accordance with the Contract Documents, in current funds the Contract Price(s) named in the Contractor's Bid Proposal and Bid Schedule(s), and any duly authorized Construction Contract Change Orders approved by the City. The amount of the initial contract award in accordance with the Contractor's Bid Proposal is: **One Hundred Fifty Seven Thousand Five Hundred Dollars (\$157,500).**

Contractor agrees to receive and accept the prices set forth herein, as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder. Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the Work during its progress or prior to its acceptance including those for well and faithfully completing the Work and the whole thereof in the manner and time specified in the Contract Documents; and, also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the Work, suspension or discontinuance of the Work, and all other unknowns or risks of any description connected with the Work.

ARTICLE 4 -- THE CONTRACT DOCUMENTS

The Contract Documents consist of the Notice Inviting Bids, Instructions to Bidders, the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations, the accepted Bid and Bid Schedule(s), List of Subcontractors, Local Business Preference Program – Good Faith Efforts, Non-Discrimination Certification, Non-Collusion Declaration, Bidder's General Information, Bid Security or Bid Bond, this Agreement, Worker's Compensation Certificate, Performance Bond, Payment Bond, Standard Specifications, Special Provisions, the Drawings, Addenda numbers 1 to 1, inclusive, and all Construction Contract Change Orders and Work Change Directives which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto.

ARTICLE 5 -- MUTUAL OBLIGATIONS

For and in consideration of the payments and agreements to be made and performed by the City, the Contractor agrees to furnish all materials and perform all work required for the above stated project, and to fulfill all other obligations as set forth in the aforesaid Contract Documents.

City hereby agrees to employ, and does hereby employ, Contractor to provide the materials, complete the Work, and fulfill the obligations according to the terms and conditions herein contained and referred to, for the Contract Price herein identified, and hereby contracts to pay the same at the time, in the manner, and upon the conditions set forth in the Contract Documents.

Contractor specifically acknowledges and agrees to be bound by the Wage Rates and Labor Code requirements specified in the Contract Documents, including the requirement to furnish electronic certified payroll records directly to the Labor Commissioner (via the Division of Labor Standards Enforcement), and shall pay the general prevailing rate of per diem wages as determined by the Director of the Department of Industrial Relations of the State of California.

ARTICLE 6 -- PAYMENT PROCEDURES

The Contractor shall submit Applications for Payment in accordance with the Standard Specifications as amended by the Special Provisions. Applications for Payment will be processed by the City Engineer as provided in the Contract Documents.

ARTICLE 7 -- NOTICES

Whenever any provision of the Contract Documents requires the giving of a written Notice between the parties, it shall be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the Notice.

ARTICLE 8 -- INDEMNIFICATION

The Contractor agrees to indemnify and hold harmless the City, and all of its officers and agents from any claims, demands, or causes of action, including related expenses, attorney's fees, and costs, based on, arising out of, or in any way related to the Work undertaken by the Contractor hereunder. This Article 8 incorporates the provisions of Section 7-15 "Indemnification," of the Special Provisions, which are hereby referenced and made a part hereof.

ARTICLE 9 -- NON-DISCRIMINATION

The Contractor represents and agrees that it does not and will not discriminate against any subcontractor, consultant, employee, or applicant for employment because of race, religion, color, sex, or national origin in any matter including without limitation employment upgrading, demotion, transfers, recruitment, recruitment advertising, layoff, termination, rates of pay, or other forms of compensation and selection for training, including apprenticeship.

ARTICLE 10 -- MISCELLANEOUS

Terms used in this Agreement which are defined in the Standard Specifications and the Special Provisions will have the meanings indicated in said Standard Specifications and the Special Provisions. No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

The City and the Contractor each binds itself, its partners, successors, assigns, and legal representatives, to the other party hereto, its partners, successors, assigns, and legal representatives, in respect of all covenants, agreements, and obligations contained in the Contract Documents.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the City and the Contractor have caused this Agreement to be executed the day and year first above written.

CITY OF PALM SPRINGS, CALIFORNIA

APPROVED BY THE CITY COUNCIL:

By _____
David H. Ready
City Manager

Date _____

Agreement No. _____

ATTEST:

By _____
James Thompson
City Clerk

APPROVED AS TO FORM:

By _____
Douglas Holland
City Attorney

RECOMMENDED:

By _____
Marcus L. Fuller, PE, PLS
Assistant City Manager/City Engineer

CONTRACTOR

By: CCS Contractors, Inc.
Firm/Company Name

By: _____
Signature (notarized)

By: _____
Signature (notarized)

Name: _____

Name: _____

Title: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

(This Agreement must be signed in the above space by one having authority to bind the Contractor to the terms of the Agreement.)

(This Agreement must be signed in the above space by one having authority to bind the Contractor to the terms of the Agreement.)

State of _____)
County of _____)ss

State of _____)
County of _____)ss

On _____
before me, _____
personally appeared _____

On _____
before me, _____
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature:

Notary Signature:

Notary Seal:

Notary Seal:

ATTACHMENT 4

NOTICE OF EXEMPTION

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: City of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Clerk of the Board
County of Riverside
P.O. Box 751
Riverside, CA 92502-0751

Project Title: Fire Station No. 2 Chiller Replacement, City Project No. 14-17

Project Applicant: City of Palm Springs

Project Location (Specific): Fire Station No. 2 located at 300 N. El Cielo Rd., alongside Palm Springs Airport

Project Location (City): City of Palm Springs

Project Location (County): Riverside

Project Description: The scope of work includes the demolition and construction of chiller footing/pad, replacement of existing chiller and related components, roof mounted exhaust fan, ductwork, hydronic piping with insulation and components, refrigerant leak detection system, replacement of existing conduit and conductors, and miscellaneous plywood/stucco patch work related to the chiller replacement for the roof and ceiling of the building.

Name of Public Agency Approving Project: City of Palm Springs

Name of Person or Agency Carrying Our Project: City of Palm Springs, Public Works & Engineering Department
3200 E. Tahquitz Canyon Way, Palm Springs, CA 92262

Exempt Status: (check one)

- Ministerial (Sec. 21080(b) (1); 15268);
- Declared Emergency (Sec. 21080(b) (3); 15269(a));
- Emergency Project (Sec. 21080(b) (4); 15269 (b)(c));
- Categorical Exemption. State type and section number: 15302 Class 2 (c) – Replacement or Reconstruction
- Statutory Exemptions. State code number:

Reasons why project is exempt: Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have a substantially the same purpose and capacity as the structure replaced. Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity. Therefore, the Fire Station No. 2 Chiller Replacement, City Project No. 14-17, is considered categorically exempt from CEQA.

Lead Agency Contact Person: Marcus Fuller Area Code/Telephone/Extension: (760) 323-8380

If filed by applicant:

- 1. Attach certified document of exemption finding.
- 2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: 

Date: 7/6/15

Title: Asst. City Manager/City Engineer

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date received for filing at OPR: _____