



**ACTION ITEM**  
August 19, 2020

**TO:** Board of Directors

**FROM:** **Administration & Finance Committee**  
(Directors Thomas, Finnegan, Dick)

Robert J. Hunter  
General Manager

Staff Contact: Charles Busslinger,  
Cathy Harris

**SUBJECT: Award Construction Contract for Administration Building Seismic Retrofit & Remodel (REVISED)**

**STAFF RECOMMENDATION**

---

It is recommended that the Board of Directors approve entering into the following subject agreements for improvements to the MWDOC administration building:

- Make a CEQA finding that the project is categorical exempt under: Class 1-Existing Facilities.
- Receive the Bid Protest and any evidence presented by RT Contractor Corporation and reject the Bid Protest.
- Waive all discrepancies and deficiencies and award Optima RPM, Inc. the “MWDOC Administration Building Seismic Retrofit, ADA Compliance, and Tenant Improvement Project” construction contract as the lowest responsive and responsible bidder in the amount of \$1,606,878.00 plus a 20% contingency for a total Not to Exceed amount of \$1,928,253.60.

<b>Budgeted (Y/N): Y</b>	Budgeted amount: \$2,038,881	Core X	Choice __
<b>Action item amount:</b>	Line item: FY 20-21-8811- Building Improvements (Mobilization, Phases 0-3, Exterior Work)		\$1,473,901
	FY 21-22-8811- (Phase 4, exterior work, and Demobilization occurring in FY 21-22)		\$564,980
			\$2,038,881
<b>Fiscal Impact (explain if unbudgeted):</b>			

- Authorize the General Manager to enter into a license agreement with OCWD for the purposes of constructing the MWDOC administration building improvements, and pay OCWD a one-time license fee of \$1,148.00.
- Authorize an increase in the IDS Architectural, Space Planning, Interior Design and Construction Administration Services Contract in the amount of \$58,667.00 to include additional Architectural, Interior Design and Engineering support services through to the conclusion of the project.
- Authorize an increase in the ABS Owner's Representative Services Contract in the amount of \$36,900.00 to increase the contract scope of work to include move management services through the 4 phases of construction.
- Award SPS Data Communications a contract for IT Support Services for a total Not to Exceed amount of \$13,912.50.

## **COMMITTEE RECOMMENDATION**

---

Committee recommends (To be determined at Committee Meeting)

## **SUMMARY**

---

Staff is seeking Board authorization to proceed with seismic improvements and a remodel of the administration building along with changes to the Conference Room 101 to serve as a backup WEROC emergency operations center. The remodel will also address current space inefficiencies with the existing floor plan that will provide additional workspaces within the building.

## **DETAILED REPORT**

---

In October 2017, staff presented to the Board the initial seismic study results of the MWDOC Administration Building. The Board approved staff to move forward with the seismic recommendations and approved contracts for IDS to prepare plans for non-structural retrofit elements of the Administration Building and additional engineering analysis and evaluation for structural retrofit elements of the building.

In November 2017, the Board authorized the General Manager to enter into a contract with IDS Group for architectural, space planning, interior design and construction administration services to conduct space planning analysis, improve floorplan efficiency, update and relocate conference rooms, relocate and maximize storage, provide for additional workstations, and determine the most favorable balance between shared work areas, private workstations and private offices that allow for collaboration and enhanced work flow processes.

In April 2018, staff presented to the Board a summary of the "Report on the Conceptual Seismic Retrofit Study of the MWDOC Administration Building" by IDS. The Board approved staff to move forward with seismic retrofit improvements of the MWDOC Administration Building, which are designed to bring the building up to a seismic performance level known

as 'Damage Control' following American Society of Civil Engineers/Structural Engineering Institute standard 'Seismic Retrofit of Existing Buildings' (ASCE/SEI-41). ASCE/SEI-41 Damage Control level of seismic design is similar to the design standard used for school buildings. The Damage Control level of seismic improvements are designed to allow for re-occupancy of the building shortly after a seismic event and supports having Conference Room 101 serve as the back-up WEROC Emergency Operations Center. Current seismic codes are designed merely to protect occupants for a sufficient duration to safely exit the building. The ability to re-occupy a building after an earthquake is not considered in the current minimum seismic codes and the seismic codes clearly state that buildings meeting minimum seismic standards will likely require significant repairs (if not demolition and replacement) before re-occupancy.

Subsequent to the determination of the building seismic performance level needed to support WEROC Emergency Operations, IDS strongly recommended that the seismic retrofit and the architectural remodeling efforts be combined. IDS pointed out the two efforts had significant overlap with the amount of ceiling work needed for the retrofit, and the extent of partition wall removal and reconfiguration of office spaces to provide additional workspaces and improve efficiencies identified in the remodel design. IDS cautioned that should the two projects move to construction separately, there would be additional costs incurred that could be avoided by combining efforts into one project. The two efforts were combined into a single project which is now before the Board for consideration of award.

In February 2019, the Board authorized the General Manager to enter into a contract with ABS Consulting to provide Owner's Representative/Project Management services for the administration building seismic retrofit and remodel.

Some elements of the project were determined to provide opportunities for reducing costs by being managed directly by MWDOC staff. These elements are specialty items that would otherwise result in General Contractor mark up and pass-through of the work to sub-contractors, should they have been included in the Construction Schedule of Work Items. These items include directly contracting for:

- Fire Alarm System modifications and interface with the OCWD campus-wide alarm system
- Building Energy Management System modifications for the integrated energy management system between the MWDOC and OCWD buildings
- IT network cabling removal and installation
- Furnishings provider and installation of furniture. The furniture provider and installer contract will be coming to the Board in September 2020 following the recommended changes to the MWDOC Administrative Code that would allow MWDOC to participate in the County of Orange Regional Cooperative Purchasing Program and so resulting in cost savings to the District.

A 20% contingency is based upon recommendations from both IDS and ABS. Both consultants indicate that at minimum, a 15% contingency should be retained for retrofits & remodels and a 20% contingency is recommended. The majority of retrofits/remodels,

including this case, do not undergo extensive destructive investigation to determine all of the issues that may be encountered during a retrofit/remodel project, and the contingency is set aside to address those as they are encountered. Additionally, there is one item concerning ADA requirements for backup power to the main lobby glass double doors that is not currently in the scope of work. IDS is currently investigating the type and amount of backup power needed. This item will be addressed at some point during the 11 month construction schedule in time for final inspection.

### Background of Improvements to Date

Dates	Action
2009-2014	Window Replacement & Walkway Handrails
2013-2014	Air Handler Work
2014-2016	Boiler, Chiller & Energy Control System
2015-2016	Bathroom Remodel
2016	Fire System
2015-2016	Entry Area Remodel
2019	Electrical System Rehabilitation
2019	Computer Room Air Conditioner Replacement

### Project Bidding

The job was advertised for bidding through PlanetBids. A mandatory pre-bid meeting was held with 17 General Contractors in attendance. Formal bids were received from 7 bidders on July 31, 2020. The Low Bidder is Optima RPM, Inc. Staff is in the process of completing paperwork associated with the bid package and should be fully completed by the time of the Board Meeting.

### Bid Summary

1.	RT Contractor Corp.	Garden Grove	\$1,925,000.00
2.	Horizons Construction	Orange	\$2,137,000.00
3.	Faris Construction	Oceanside	\$2,077,000.00
4.	JRH Construction	Irvine	\$2,364,220.00
5.	Courts Construction	Glendora	\$2,042,764.00
6.	Nationwide General	Fountain Valley	\$3,575,000.00
7.	<b>Optima RPM Inc.</b>	Irvine	<b>\$1,606,878.00</b>

Engineer's Estimate	\$1,600,000 - \$2,600,000.00
Average Bid	\$2,246,837.43

### Low Bid Breakdown (without Contingency)

No.	ITEM DESCRIPTION	UNIT	ITEM COST
1.	Mobilization	Lump Sum	\$364,623.00
2.	Phases 0-4	Lump Sum	\$1,226,939.00
3.	Exterior Work	Lump Sum	15,225.00

**\*\*REVISED\*\* Bid Protest**

Subsequent to the public posting of the A&F write up, a bid protest was received on Friday August 7, 2020 from the second lowest bidder, RT Contractor Corporation, claiming:

1. The Apparent Low Bid failed to list an Asbestos Abatement Contractor (C-22 license) and pointed out that Optima RPM Inc. (Optima's) proposed demolition subcontractor only held a Demolition Contractor License (C-21).
2. Asbestos abatement work in the project exceeds the 0.5% threshold that requires disclosure of the work as a subcontractor.

The protest was submitted by e-mail and did not follow the required formalities in the bid documents. For this and the reasons explained below, staff recommends rejection of the protest.

**Bid Review and Analysis**

MWDOC staff and ABS investigated Optima's bid and found the bid did not indicate a direct subcontractor with a C-22 Asbestos Abatement License on their submitted Subcontractor List (Document 00430). The explanation given by Optima, was that the demolition subcontractor listed in their bid, Central Coast Demolition-4, Inc. intends to hire a second sub-tier contractor, PG&J Environmental Inc. (C-22 License #969005) as part of the demolition scope of work submitted in the bid.

The "Subletting and Subcontracting Fair Practices Act" requires that first-tier subcontractors (those hired by the prime contractor) be listed in the bid form, but it does not require listing of second-tier subcontractors. The bid documents therefore did not require listing of second-tier subcontractors.

Optima indicated that since their direct subcontractor, Central Coast Demolition-4, Inc., does indeed not hold a C-22 license; and as the bid documents did not indicate disclosure of second sub-tier contractors for any work, they did not indicate their demolition subcontractor as holding a C-22 license, nor include any second sub-tier contractors on the Subcontractor List. Optima reaffirmed that asbestos mitigation work will be carried out by a licensed C-22 second-tier subcontractor under their demolition subcontractor as part of \$88,995.00 scope of work listed their bid proposal.

Optima's bid otherwise conforms to the requirements of the bid documents, and staff's review indicates that Optima is qualified to perform the work. To the extent that there may be any minor discrepancies within the bid, such discrepancies would be inconsequential and may be waived. Staff therefore recommends that the Board award the bid to Optima and waive all discrepancies.

If the Board were to instead reject Optima's bid, staff would recommend continuing the item in order to perform a further assessment of the remaining bids. Staff has noted issues of varying levels of significance with the remaining bids and would have to assess whether the remaining bids are capable of receiving the award. Alternatively, the Board could also reject all bids and re-advertise the project.

## License Agreement with OCWD

OCWD has requested that MWDOC enter into a license agreement to use and occupy common areas of the campus; comprising a portion of the western courtyard and portions of the parking lot on the north side of the campus during construction. OCWD has also requested a one-time license fee of \$1,148.00, which is the standard fee for license agreements on OCWD properties and was previously approved by the OCWD Board as a standard fee. The license agreement was brought to the OCWD Property Management Committee for approval in June 2020. The agreement was deferred pending additional information to the July 2020 OCWD Property Management Committee. The agreement has been further deferred to the August 28, 2020 OCWD Property Management Committee; pending additional information and an OCWD legal review of the existing MWDOC lease to see if it allows for the construction of a storage room under the existing roof and immediately adjacent to Conference Room 101.

## Financial Summary

The table below provides an overall cost summary of the project.

	<b>Current Board Action Items:</b>	
1.	Construction Contract with 20% Contingency – Optima RPM, Inc.	\$1,928,253.60
2.	License Agreement - OCWD	\$1,148
3.	Additional Construction Support through Completion - IDS	\$58,667
4.	Move Management - ABS	\$36,900
5.	I.T. Support Services – SPS Data Communications	\$13,912.50
	<b>Total Project Items this Action:</b>	<b>\$2,038,881</b>
	<b>Previously Approved Project Items:</b>	
1.	ABS Owners Rep Services	\$257,706
2.	Architecture & Engineering Services IDS	\$103,366
3.	Asbestos Testing	\$4,700
4.	Sunbelt Controls Energy Mgmt. System modifications	\$4,449
5.	Fire Alarm System Modifications	\$18,600
6.	City Permits	\$7,278
	Total of Project Items Previously Approved:	\$396,099
Total Project Cost		\$2,434,980

## BOARD OPTIONS

### Option #1

- Make a CEQA finding that the project is categorical exempt under: Class 1-Existing Facilities.
- Receive the Bid Protest and any supporting evidence by RT Contractor Corporation and reject the Bid Protest.
- Waive all discrepancies and deficiencies and award Optima RPM, Inc. the “MWDOC Administration Building Seismic Retrofit, ADA Compliance, and Tenant Improvement Project” construction contract as the lowest responsive and responsible bidder in the

amount of \$1,606,878.00 plus a 20% contingency for a total Not to Exceed amount of \$1,928,253.60.

- Authorize the General Manager to enter into a license agreement with OCWD for the purposes of constructing the MWDOC administration building improvements, and pay OCWD a one-time license fee of \$1,148.00.
- Authorize an increase in the IDS Architectural, Space Planning, Interior Design and Construction Administration Services Contract in the amount of \$58,667.00 to include additional Architectural, Interior Design and Engineering support services through to the conclusion of the project.
- Authorize an increase in the ABS Owner's Representative Services Contract in the amount of \$36,900.00 to increase the contract scope of work to include move management services through the 4 phases of construction.
- Award SPS Data Communications a contract for IT Support Services for a total Not to Exceed amount of \$13,912.50.

**Fiscal Impact:** \$2,038,881

**Business Analysis:** Improve the seismic resilience of the building to accommodate use of Conference Room 101 as a WEROC emergency operations center, and continued business operations in the building following a major earthquake. Additionally, the project is designed to improve floorplan efficiency and provide for additional workstations for staffing flexibility.

### **Option #2**

- Reject Optima's bid
- Continue the item and direct staff to perform a further assessment of the remaining bids.

**Fiscal Impact:** At minimum, an increase to the project cost of \$381,746.40 (including 20% contingency).

**Business Analysis:** Staff has noted issues of varying levels of significance with many of the remaining bids, including the next lowest bid, and would have to assess whether the remaining bids are capable of receiving the award.

### **Option #3**

- Reject all bids and direct staff to re-advertise the project.

**Fiscal Impact:** A new solicitation for bids may result in higher or lower bids. The project will be set back by an additional two months.

**Business Analysis:** Given that staff has noted issues of varying levels of significance with most of the bids, there is no guarantee that a second round of bids will not encounter similar bid issues.

### **Option #4**

- Do not authorize the work.

**Fiscal Impact:**

**Business Analysis:** Continue to work in a less resilient building and risk the building becoming unusable as a WEROC emergency operations center following a major earthquake. Continue to deal with a floorplan that does not provide efficiencies or the needed number of workstations for all staff members.

**STAFF RECOMMENDATION**

---

**Option #1**