



NEWPORT BEACH

City Council Staff Report

January 9, 2024
Agenda Item No. 14

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Central Library Lecture Hall Building Project – Award of Contract
No. 7444-3 (19F11)

ABSTRACT:

The City of Newport Beach advertised the Central Library Lecture Hall Building Project and on October 12, 2023, received three bids. Upon City Council approval of Amendment No. Three of the Memorandum of Understanding (MOU) with the Newport Beach Public Library Foundation (Item 13 on this January 9, 2023 agenda), and contingent upon the depositing of the contribution funds specified in the MOU by the Foundation into the escrow account, staff requests City Council approval to award the construction contract to the low bidder, AMG & Associates, Inc., of Santa Clarita. Additionally, staff also requests City Council approval of consultant agreements to provide necessary construction services and geotechnical services for the project.

RECOMMENDATIONS:

- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15301 (Class 1 – Existing Facilities) and 15303 (Class 3 – New Construction or Conversion of Small Structures) of the California Code of Regulations, Title 14, Division 6, Chapter 3 and CEQA Guidelines, because this project has no potential to have a significant effect on the environment;
- b) Approve the project plans and specifications;
- c) Approve Budget Amendment No. 24-042 to increase appropriations by \$10,487,936 to fully fund the Library Lecture Hall Project (19F11) and to increase revenues and authorize the transfer of funds as reflected in the report;
- d) Award Contract No. 7444-3 to AMG & Associates, Inc. for the total bid price of \$19,068,000 and authorize the Mayor and City Clerk to execute the contract contingent upon the Newport Beach Public Library Foundation depositing \$7,100,000 in advanced contribution funds into the specified project escrow account as defined within Amendment No. Three of the Memorandum of Understanding between the City and the Newport Beach Public Library Foundation;
- e) Establish a contingency of \$1,906,800 (10% of total bid) to cover the cost of unforeseen work not included in the original contract;

- f) Approve Amendment No. Three to the Agreement with Robert Coffee Architects + Associates to increase the fee amount by \$445,000 for construction support services for a total not-to-exceed contract amount of \$1,117,670, and authorize the Mayor and City Clerk to execute the agreement;
- g) Approve Amendment No. One to the Agreement with Griffin Structures to increase the fee amount by \$187,000 for construction management services for a total not-to-exceed contract amount of \$867,000, and authorize the Mayor and City Clerk to execute the agreement; and
- h) Approve a Professional Services Agreement with Geocon West for construction special and geotechnical inspections and support service for a not-to-exceed amount of \$249,000, and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

The Central Library was built in 1994 and expanded in 2013, to incorporate a second entrance connecting the library to City Hall and the park. The Central Library facility holds numerous ongoing programs and community events including guest speakers and presentations, mostly in the Friend’s Room. The Library Services Department reports that such programming has increased in annual participation from approximately 28,000 participants in FY 2009-10 to over 72,000 participants in FY 2018-19.

With a 50/50 shared funding commitment from the Newport Beach Public Library Foundation (NBPLF), in March 2019 the City Council directed staff to return with a recommendation for awarding a Professional Services Agreement (PSA) for developing concept and final design plans for a proposed lecture hall that would be located adjacent to the Central Library. This action led to the establishment of the Library Lecture Hall Design Committee (LLHDC) by the Council in July 2019 and the appointment of then Councilmember Diane Dixon as one of the five committee members tasked with undertaking the selection of an architect, coordinating and meeting with the architect and City staff on the project, and to make recommendations, as needed, to the entire City Council.

In September 2021, City staff and LLHDC members presented the final revised Concept Design, project cost estimate, and tentative funding terms for the MOU with the NBPLF at a City Council Study Session. On November 30, 2021, the City Council approved the current design concept, a \$13,000,000 budget, and the MOU between the City and the NBPLF related to fundraising for the Central Library Lecture Hall Building and a funding commitment of \$6.5 million from both the City and the NBPLF. The approved final design and development includes a new, 9,815-square-foot Lecture Hall near the Central Library and seating for up to 299 people. Bids were received on February 28, 2023, and on April 25, 2023 Council rejected all bids and requested rebidding the project in the fall of 2023.

At 2 p.m. on October 12, 2023, the City Clerk opened and read the following bids for this project:

	<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Low	AMG & Associates, Inc.	\$ 19,068,000
2nd	Pinner Construction Co., Inc.	\$ 20,120,000
3rd	S.J. Amoroso Construction Co., LLC	\$ 20,365,000

The City received three bids for this project. The low bid of \$19,068,000 was received by AMG & Associates, Inc. (AMG), which also includes retaining the \$9,000 deductive alternative bid item for an added \$10,000,000 in pollution liability insurance. The low bid was 3% higher than the new engineer’s estimate of \$18,500,000. A review of the bids showed the bid pricing was consistent for all three bidders. The engineer’s estimate was developed by third-party construction consultants which were included in the project design contract.

Moreover, on October 26, 2023, the City received a letter from The Irvine Company approving the Newport Beach Library Lecture Hall project in accordance with Section 2.2 of the Declaration of Special Land Use Restrictions (SLURs).

Upon approval of Amendment No. Three of the MOU between the City and the NBPLF related to fundraising for the Central Library Lecture Hall Building (Agenda Item 13), which further defines and increases the NBPLF funding contribution commitment to the lesser of \$11,743,968 or 50% of the total project cost, staff recommends awarding a construction contract to AMG & Associates, Inc., should the City Council desire to move forward with building the proposed project.

The tentative schedule for this project is as follows:

Library Lecture Hall MOU Amendment No. 3	January 9, 2024
Library Lecture Hall Project Construction Award	January 9, 2024
Construction Start	Spring 2024
	Winter 2025

Construction Complete (21 Months)

FISCAL IMPACT:

The total cost of the project is \$23,487,936, which includes approximately \$1.4 million of design-related costs that have been expended. To date, \$13,000,000 has been appropriated, which includes \$6.5 million funded by the City and \$6.5 million funded by the Foundation. Therefore, an appropriation of \$10,487,936 is required to fully fund the project as reflected in the table below.

	<u>Current Budget</u>	<u>Proposed Increase</u>	<u>Total Budget</u>
Misc. Cooperative Projects Fund (135)	\$ 6,500,000	\$ 5,243,968	\$11,743,968
Parks & Community Centers FFP Fund (562)	<u>\$ 6,500,000</u>	<u>\$ 5,243,968</u>	<u>\$11,743,968</u>
Total Cost of the Project (Including Design)	\$13,000,000	\$10,487,936	\$23,487,936

The Facilities Financing Plan Fund (513) currently has \$34.7 million in capital reserves for future projects. A transfer of \$10.5 million from Fund 513 will be made to the Parks & Community Centers FFP Fund (562) and the Miscellaneous Cooperative Projects Fund (135) to fully fund the project. Additionally, per Amendment No. Three of the Memorandum of Understanding between the City and the Foundation, as recommended at the January 9, 2023 City Council meeting, the Foundation has agreed to provide contribution funding of \$11,743,968 or fifty percent (50%) of the total project cost for the project, whichever is less. The Foundation will deposit \$7.1 million into escrow prior to the execution of the construction contract. The balance of \$4.6 million will be collected over the specified timeframe, which will be deposited into the Parks & Community Centers FFP Fund (562) and the Facilities Financing Plan Fund (513) as a reimbursement for funds advanced for the design and construction of the new Library Lecture Hall building.

Upon approval of the attached budget amendment, the FY 2023-24 adopted Capital Improvement Program budget will include sufficient funding for the award of this construction contract, and the necessary professional services contract amendments with Robert Coffee Architects and Associates, Griffin Structures, and Geocon West, Inc. Project funding for the remaining project costs (excluding design-related costs) will be expended from the following accounts:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
Misc. Cooperative Projects Fund	13501-980000-19F11	\$ 11,032,900
Parks & Community Centers FFP Fund	56201-980000-19F11	\$ 11,032,900
	Total:	\$ 22,065,800

Total overall current and estimated remaining project costs are as follows:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Robert Coffee Architects + Assoc	Design	\$ 445,000
AMG	Construction Contract	\$ 19,068,000
AMG	Construction Contingency	\$ 1,906,800
Griffin Structures	Construction Management	\$ 187,000
Geocon West, Inc.	Testing/Inspecting/Geotech	\$ 249,000
Various	Utilities Connections	\$ 25,000
Various	Specialty Equipment/Service	\$ 75,000
Various	Incidentals	\$ 85,000
City of Newport Beach	OCWD, NMSD, Misc. Fees	\$ 25,000
	Total:	\$ 22,065,800

Maintenance, Operation and Staffing Cost Estimate

Staff estimates that the annual maintenance and operation costs of the new Library Lecture Hall will be approximately \$421,500 plus CPI over the life of the building as detailed below:

Janitorial and supplies	\$30,000
Repair & Maintenance	\$315,000 (1.5% of construction cost yearly)
Utilities	\$76,500

Additional staffing needs have yet to be specifically identified and will be dependent upon the level of programming and use. Tentatively, at a minimum, at least two full time equivalent staff members will be needed for scheduling, programming, marketing, operations/oversight, and audio/video/technical support.

Upon approval of the construction of the building, the City Manager will add the necessary identified maintenance, operation and staffing funds for the new facility into future annual City budgets.

Facility Revenue Estimate

Although undetermined at this time, it is anticipated that some level of cost recovery funding will be generated through future users and rental fees. A future specific cost and fee study will need to be undertaken to determine suggested user and rental fees for review and implementation by the City Council.

ENVIRONMENTAL REVIEW:

Find this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15301 (Class 1 – Existing Facilities) and 15303 (Class 3 – New Construction or Conversion of Small Structures) of the California Code of Regulations, Title 14, Division 6, Chapter 3 and CEQA Guidelines, because this project has no potential to have a significant effect on the environment.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Location Map

Attachment B – Amendment No. Three to Professional Services Agreement with Robert Coffee Architects + Associates

Attachment C – Amendment No. One to Professional Services Agreement with Griffin Structures, Inc.

Attachment D – On-Call Agreement with Geocon West, Inc.

Attachment E – Irvine Company Approval

Attachment F – Budget Amendment