



**Honorable Mayor and Members of the Hermosa Beach City Council**

**AWARD OF CONSTRUCTION CONTRACT FOR CIP 689 CLARK BUILDING RENOVATIONS TO SOLEX CONSTRUCTION, INC.**

CEQA: The Project is exempt under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15301 (Existing Facilities). The proposed work is a major alteration of existing public structures or facilities involving negligible or no expansion of existing use. No exceptions to the CEQA exemption apply.

(Public Works Director Joe SanClemente)

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**Recommendation:**

Staff recommends City Council:

1. Award a construction contract for CIP 689 Clark Building Renovations to Solex Construction, Inc. in the amount of \$2,588,191.88 (**Attachment 4**);
2. Authorize the Director of Public Works to establish a 15 percent project contingency in the amount of \$388,228.78;
3. Adopt the attached resolution entitled “A Resolution of the City Council of the City of Hermosa Beach Approving the Construction of CIP 689 Clark Building Renovations Pursuant to Government Code Section 830.6 and Establishing a Project Payment Account” (**Attachment 3**);
4. Authorize the Mayor to execute the construction contract and the City Clerk to attest, subject to approval by the City Attorney;
5. Authorize the Director of Public Works to file a Notice of Completion with the Los Angeles County following final completion of the project; and
6. Authorize the issuance of a purchase order to MityLite under a qualified cooperative agreement through the State of California Multiple Award Schedules (CMAS) contract for up to \$80,000 for Clark Building banquet furniture (**Attachment 7**).

**Executive Summary:**

Capital Improvement Program (CIP) Project 689 Clark Building Renovations would update and modernize the Clark Building to provide a mixed-use event space for use by the Hermosa Beach community. Improvements include, but are not limited to: asbestos and lead abatement work throughout the building; restroom renovations; installation of a new commercial kitchen, HVAC system, electrical system, and audio-visual system; architectural upgrades; and site improvements. Staff received 12 bids for construction of

the project and recommend City Council award a construction contract to the lowest responsive and responsible bidder, Solex Construction Inc.

**Background:**

Clark Building was constructed in 1936, adjoining Clark Stadium and the Lawn Bowling Facility. The building currently houses a ballroom, two storage rooms, two restrooms, a small stage, and a former kitchen area. The building has been used for nonprofit, school, community, and other civic organization meetings and gatherings, as well as private parties.

The scope of work for CIP 689 Clark Building Renovations was developed through a comprehensive community engagement process that included surveys, virtual forums, and comments at public meetings of the Parks, Recreation and Community Resources Advisory Commission, Public Works Commission, and City Council. A subcommittee of members of both Commissions was assembled to provide input on this project. All who participated provided valuable feedback regarding desired amenities, with the addition of an updated kitchen, air conditioning, and an audio-visual system as top priorities.

Staff and the project architect presented the preliminary building design to City Council at its January 25, 2022 meeting. However, design modifications were subsequently required to bring the building's kitchen to commercial standards per the requirements of the Los Angeles County Department of Public Health. Since that time, final design approvals were obtained from the Public Health Department and the City's Building and Safety and Planning Divisions in Fall of 2023.

The full scope of the project includes the following improvements:

- All necessary demolition work associated with the renovation;
- New commercial kitchen per current Los Angeles County Department of Public Health requirements, including new appliances, fixtures, storage cabinets, counter tops, flooring, grease trap system, and lighting;
- New electric powered heating, ventilation, and air conditioning (HVAC) system;
- New audio-visual system including built-in speakers, overhead projector, and roll-down projection screen;
- Architectural upgrades including:
  - Furred out walls to conceal system components such as electrical conduit and provide a new smooth wall surface throughout;
  - New decorative accents on the ceiling;
  - Acoustic ceiling panels for sound absorption;
  - New commercial grade vinyl flooring;
  - New interior and exterior light fixtures;
  - Complete interior and exterior painting;
  - Restored original signage on the exterior of the building;

- New plumbing system to accommodate the updated restrooms and commercial kitchen, including new floor drains for ease in maintenance;
- Site improvements including new concrete walkways and ramps to current accessibility standards, decorative enclosures around the refuse storage area and HVAC units, new accessible entrance to the Lawn Bowling Club, and refreshed landscaping and irrigation;
- Completely renovated restrooms to current accessibility standards, including new fixtures, partitions, vanities, mirrors, flooring, and lighting;
- New electrical system including wiring and upgraded service connection necessary to serve the enhanced building components; and
- Asbestos and lead abatement work throughout the building.

During the outreach process, the installation of solar panels and back-up batteries was also identified as a scope item. However, it was not included in the final design package, as staff is working with the Clean Power Alliance (CPA) on potentially securing separate funding for the work.

### ***Past Council Actions***

Meeting Date	Description
<a href="#">January 25, 2022</a>	City Council received a presentation of preliminary building design from City staff and the project architect.
<a href="#">September 26, 2023</a>	City Council adopted new purchasing methods in accordance with the Uniform Public Construction Cost Accounting Act (UPCCAA).
<a href="#">February 27, 2024</a>	City Council rejects all bids from the 1 <sup>st</sup> advertisement of the project that closed December 21, 2023, directs staff to refine project design prior to re-advertisement and directs staff to reopen Clark Building on an interim limited use basis following necessary minor maintenance and replacement of the existing deteriorated sewer lateral line.

### **Analysis:**

City Staff first advertised the project in November 2023 and received five bids for the project on December 21, 2023. All five bids were significantly higher than the engineer’s construction estimate and exceeded the available funding for the project as identified in the FY 2023–24 budget. At its February 27, 2024 meeting, City Council approved staff recommendation to reject all bids and directed staff to refine the project design prior to re-advertisement. Council also directed the reopening of the Clark Building on an interim, limited use, basis following necessary minor maintenance work and replacement of the existing deteriorated sewer lateral line.

The replacement of the sewer lateral was made possible through recent updates in the City's municipal code allowing staff to use the Uniform Public Construction Cost Accounting Act (UPCCAA,) adopted by Council in the latter half of 2023, to procure construction services to replace the sewer lateral for the building in April 2024. The Public Works Department also completed minor, low-cost maintenance improvements to allow the basic functioning of the building, including servicing and cleaning of the heating system, patching holes in the walls and floor, minor interior painting of the ballroom and the restroom, and painting of the restroom floor in order to have the building open on April 9, 2024 in the interim while the project was undergoing design refinement and re-advertisement.

Staff re-engaged the project design team to evaluate revisions to the project scope for potential cost savings and other refinements to the design that were identified by the City's engineering team during the detailed bid review process. Scope changes including the removal of a loading ramp and associated landscaping at the rear of the building and removal of the sewer lateral replacement from the plans as it was replaced in April 2024.

Staff made numerous small changes to the design package following a detailed constructability review by the City's design team to tighten the design plans and add clarifications to reduce potential for change orders once in construction. Staff also removed the banquet tables and chairs from the project scope, instead electing to purchase them directly through a supplier, MityLite, Inc., by utilizing an existing cooperative purchase agreement through the State of California Multiple Award Schedules (CMAS). Doing so should result in cost savings and avoid possible delays.

On April 18, 2024, the City readvertised the project by issuing a Notice Inviting Bids inviting experienced and highly qualified construction teams to submit a bid for the construction of the project through a competitive process. The notice was advertised in the paper, on the City's website, and on the City's online bidding platform, PlanetBids. During the advertisement period, 82 prospective bidders downloaded the project documents from PlanetBids, including general contractors and subcontractors, of which 22 attended the mandatory and voluntary pre-bid site walks.

On June 3, 2024, the City received a total of 12 bids, which were opened and read aloud by the Deputy City Clerk. The bid results are provided in **Attachment 1** and summarized below.

### ***Bid Result Summary***

Bidder	Bid Amount
Eligico, Inc.	\$207,200.66
Meyers Construction Co.	\$2,232,000.00
One Silver Serve dba SERVEPRO Global DRT	\$2,383,333.00
Solex Construction, Inc.	\$2,588,191.88
D'Agostino Construction and Development	\$2,595,000.00
Armstrong Cal Builders, Inc.	\$2,605,723.00
PUB Construction, Inc.	\$2,749,000.00
Modern General Contractor, Inc.	\$2,860,000.00
Royal West Development, Inc.	\$2,990,314.00
Caltech Corp.	\$3,044,000.00
Corner Stone Construction Group, Inc.	\$3,167,646.00
IPI Construction	\$3,453,163.00

Staff reviewed the bids received and found that the lowest bidder submitted an incomplete bid, by bidding the audio-visual system only. The second low bidder did not include a valid bid bond with the bid. The third low bidder did not have adequate licensing for the work and did not list any subcontractors with valid licenses. Therefore, the three lowest bidders were found to be non-responsive and their bids were disqualified.

The fourth low bidder, Solex Construction, Inc. (Solex), was found to be the lowest responsible and responsive bidder with a bid in the amount of \$2,588,191.88, which is less than 8 percent above the engineer's estimate and within the anticipated construction range assumed in the revised project budget for FY 2024-25 (**Attachment 2**).

Solex's contractor license is active and in good standing with the Contractor's State License Board. Staff contacted references and confirmed the contractor's competency

through completion of recent projects of similar type of work within the past five years, including work for the Conejo Recreation & Park District, City of San Jose, and San Jose Unified School District where they completed the projects on time and within budget.

Overall, staff finds Solex Construction, Inc. to be a qualified contractor to complete the proposed work for the project and recommends City Council award a construction contract to Solex Construction, Inc (**Attachment 4**).

#### Award of Purchase Order for Clark Building Banquet Furniture

Staff recommends utilization of the California Multiple Award Schedules (CMAS) Contract 4-17-71-0111B with CMAS supplier Mity-Lite, Inc for the purchase of banquet furniture, consisting of tables and chairs. CMAS was established by the State of California as a streamlined procurement option, offering competitively assessed and pre-negotiated products and services. This approach ensures that the City would benefit from the most competitive pricing.

Following the provisions of HBMC § 3.12.140(e), staff recommends awarding a purchase order in the amount of up to \$80,000 to MityLite, a member of the CMAS purchase agreements. The amount would cover the quote of \$74,752.94 and leave an additional \$5,247.06 for contingency (**Attachment 7**).

#### Schedule

If the project is awarded, staff would provide construction management with additional construction inspection services provided by one of the City's on-call civil engineering firms specializing in building construction. Staff anticipates construction to start as soon as August 2024, with an anticipated completion date in March 2025.

#### ADA Self-Evaluation and Transition Plan Consistency

The project is consistent with the goals of the adopted 2022 Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan as it advances the construction of improvements that remove physical barriers and facilitate access for all individuals.

#### General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

#### *Sustainability + Conservation Element*

#### **Goal 4. A leader in reducing energy consumption and renewable energy production.**

Policies:

- **4.4 Municipal facilities.** Utilize renewable energy sources at City facilities.

- **4.5 Sustainable building standards.** Use sustainable building checklists to minimize or eliminate waste and maximize recycling in building design, demolition, and construction activities.

### *Parks + Open Space Element*

#### **Goal 1. First class, well maintained, and safe recreational facilities, parks and open spaces.**

Policies:

- **1.1 Facility Upgrades.** Improve and update park and open space facilities on a regular basis.
- **1.4 Low Maintenance Design.** Promote environmentally sustainable and low maintenance design principles in the renovation, addition, or maintenance of parks and recreation facilities.

#### **Goal 2. Abundant parks, open space, and recreational facilities to serve the community.**

Policy:

- **2.6 Investment and maintenance.** Prioritize the investment and maintenance of existing facilities prior to development and expansion of new facilities.

#### **Goal 3. Community parks and facilities encourage social activity and interaction.**

Policy:

- **3.6 Availability of City facilities.** Consider the demand and availability of City facilities for general community use in the long-term lease and/or rental of City facilities.

#### **Goal 4. Direct and accessible routes and connections to parks, recreational facilities, and open space are provided.**

Policy:

- **4.4 ADA accessible park access.** Install ADA and universally accessible amenities and equipment so that all parks, beach, and trail networks are accessible to all persons.

### *Infrastructure Element*

#### **Goal 1. Infrastructure systems are functional, safe, and well maintained.**

Policy:

- **1.8 Minimize recurring repairs.** Ensure that recurring repairs to City facilities are minimized by investing in low maintenance materials and performing preventive procedures where available.

**Fiscal Impact:**

CIP 689 Clark Building Renovations is budgeted in the FY 2024–25 Adopted Budget and funded through the Tyco Fund and Capital Improvement Fund with a combined appropriation of \$3,601,067.00. The lowest responsible and responsive bidder, Solex Construction, submitted a bid in the amount of \$2,588,191.88. Staff recommends establishing a 15 percent contingency in the amount of \$388,228.78 to cover any unforeseen conditions or additional work required during construction.

Sufficient funds are available in the Tyco Fund and Capital Improvement Fund to cover construction costs. The funds would cover the full construction as well as construction management and inspection and environmental monitoring services for the project. Any unused funds would be returned to the Capital Improvement Fund.

The full renovation of the building, including the restoration of the former kitchen, would enhance the usability and rentability of the facility. Staff would propose a new fee schedule and use policy aligned with the new building for consideration by the Parks, Recreation & Community Resources Advisory Commission and approval by Council in advance of the reopening.

<b>Construction Agreement Request</b>			
<b>Contract</b>	<b>Request Amount</b>	<b>FY 2024–25 Budget Dept. Account #</b>	<b>Total Contract Amount</b>
Solex Construction, Inc.	\$2,588,191.88	122-8689-4201 301-8689-4201	\$2,588,191.88
15 Percent Project Contingency	\$388,228.78	301-8689-4201	\$388,228.78
<b>Total</b>	<b>\$2,976,420.66</b>		<b>\$2,976,420.66</b>

<b>Purchase Order Request (Banquet Furniture)</b>			
<b>Vendor</b>	<b>Request Amount</b>	<b>FY 2024–25 Budget Dept. Account #</b>	<b>Total Amount</b>
MityLite, Inc.	\$80,000	301-8689-4201	\$80,000

**Attachments:**

1. Bid Opening Log
2. Solex Construction, Inc. Bid Documents



3. Draft Resolution
4. Solex Construction, Inc. Draft Contract Agreement
5. CIP 689 Project Plans
6. CIP 689 Project Specifications
7. Price Quote – Banquet Furniture Purchase

**Respectfully Submitted by:** Saad Malim, Senior Engineer

**Concur:** Lucho Rodriguez, City Engineer

**Concur:** Joe SanClemente, Public Works Director

**Noted for Fiscal Impact:** Viki Copeland, Administrative Services Director

**Legal Review:** Patrick Donegan, City Attorney

**Approved:** Suja Lowenthal, City Manager