

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: May 24, 2011 - Consent	AGENDA NO: 44
SUBJECT: a. Award contract to Canterbury Manufactured Homes in the amount of \$204,220 to provide Five Modular Living Units for Monterey County Parks, Lake Nacimiento and Lake San Antonio, Bid No. 10306; and b. Authorize the Chair of the Board to sign the contract; and c. Authorize the Director of Parks to approve change orders up to 10% of the bid	
DEPARTMENT: Parks	

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Award contract to Canterbury Manufactured Homes in the amount of \$204,220 to provide Five Modular Living Units for Monterey County Parks, Lake Nacimiento and Lake San Antonio, Bid No.10306; and
- b. Authorize the Chair of the Board to sign the contract; and
- c. Authorize the Director of Parks to approve change orders up to 10% of the bid

SUMMARY/DISCUSSION:

Substandard conditions at the lakes facilities have contributed toward a reduction of patronage and visitor attendance since the County purchased the Lakes Resort assets, both real and personal property, from Water World Resorts, Inc./Lake San Antonio Resorts, Inc. on October 1, 2007. As noted prior to the County's takeover of the resorts operations in 2007, Lee & Pierce Engineering report recommended an *immediate* investment in capital outlay for assets with an estimated remaining useful life of 5 years or less.

The Parks Department has been able to invest \$3.5 in capital asset and maintenance expenditures through a combination of grant funding and resort revenues on numerous critical projects and imminent health and safety issues that arose after the settlement and purchase. Although, there remains the need for a significant investment in the facility in order generate the revenue needed to help offset asset acquisition debt obligation, capital improvements, and on-going maintenance. Therefore, the replacement of these units which are currently out-of-service and have not been rented in the past two years is imperative to maximizing the profitability of the facilities.

On March 15, 2011 the Monterey County Board of Supervisors approved the Parks Department's request for an investment in the capital improvement needs for the Lakes Enterprise Fund 452 (formerly Fund 004). Subsequently, the Contracts/Purchasing office legally noticed the Request for Proposals, Reference #10306, to solicit bids for proposals from qualified organizations to provide; proper removal and disposal of five modular units, and purchase and installation of five pre-fabricated new modular rental living units. Four units to be placed at Lake San Antonio's North Shore, and One unit to be placed at Lake Nacimiento Resort. Responses to the RFP included all labor, delivery, shipping, taxes, demolition, disposal, installation, design work, and any other miscellaneous costs necessary to fully complete the scope of work as outlined in RFP #10306.

OTHER AGENCY INVOLVEMENT:

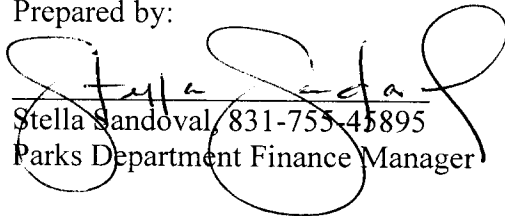
County Counsel has approved the contract as to form and County Purchasing has approved the annual bid process.

FINANCING:

As recommended by the Budget Committee on November 29, 2010, January 26, 2011 and again on February 23, 2011; as well as by the Capital Improvement Committee on February 7, 2011; and ultimately approved by the Board of Supervisors on March 15, 2011; Capital Improvement Funds have been allocated for Fiscal Year 2010-11 in the total amount of \$660,000 toward the first phase of funding to be utilized prior to the peak of the 2011 Summer Season. The replacement of modular units was identified as a priority during the first phase of funding.

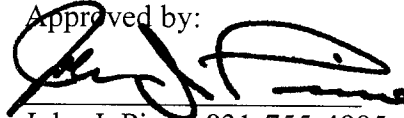
The addition of five modular units is estimated to produce approximately \$189,000 in the first year of summer rentals which will serve to offset County lakes operational costs. Approximately \$4.6 million in revenue can potentially be generated over an estimated 20-Year useful life span of these 5 units. (Exhibit A)

Prepared by:


Stella Sandoval, 831-755-4895
Parks Department Finance Manager

Date: 5/16/11

Approved by:


John J. Pinto, 831-755-4895
Chief Ranger/Parks Director

Date: 5/16/11

Attachments: Exhibit A

Documents on file with the Clerk of the Board:

List of bids as provided by the County Contracts/Purchasing Agent
Contract with Canterbury Manufactured Homes