



for the 855 East Laurel Drive-Emergency Shelter, Project No. 8875, Bid Package No.10736, in the total amount of \$5,760,231;

- b. Approve the Performance and Payment Bonds executed and provided by Avila Construction Company;
- c. Authorize a contingency, not to exceed 10% of the contract amount, or \$576,023, to provide funding for approved contract change orders for 855 East Laurel Drive-Emergency Shelter, Project No. 8875, Bid Package No.10736;
- d. Authorize the Resource Management Agency Director to execute the contract and, subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work; and
- e. Authorize the Resource Management Agency Director to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director determines that the contract is complete in all respects in accordance with the Plans and Special Provisions for the construction of 855 East Laurel Drive-Emergency Shelter, Project No. 8875, Bid Package No.10736.

#### SUMMARY:

Staff recommends awarding a construction contract to Avila Construction Company as the lowest responsible, responsive bidder for the 855 East Laurel Drive-Emergency Shelter, Project No. 8875, Bid Package No.10736 (Project). The Project is funded by Homeless Emergency Aid Program (HEAP) Funds and cost sharing between County and the City of Salinas. HEAP mandates that 50 percent of the awarded funds must be contractually obligated by January 1, 2020. Additionally, 100 percent of the funds must be expended by June 30, 2021.

#### DISCUSSION:

On August 27, 2019, the Board of Supervisors approved the Plans and Special Provisions for the Project. A "Notice to Bidders" was duly advertised in a newspaper of general circulation per Public Contract Code Section 20150.8. On October 3, 2019, bids were received and opened for the Project. Avila Construction Company was the apparent low bidder for the Base Bid and Alternate Bid No. 01 (Attachment A-Bid Summary). Avila Construction Company is a locally owned and operated company.

The Project base bid includes construction of a 16,000-foot pre-engineered building sized for approximately 100 beds, related site work, infrastructure, foundations, landscaping, and interior improvements, for which Avila's pricing is \$5,578,167. Alternate Bid No. 01 includes furnishing, installing and commissioning multiple items of kitchen equipment, for which Avila's pricing is \$182,064. A furnished and working kitchen was determined to be a critical element for this shelter's operation and therefore staff recommends funding Alternate Bid 01.

Total bid amount is \$5,760,231, approximately 5.2% over the Engineer's Estimate of Construction Costs, and results in an overall funding shortfall occurring in the final year of the Project (Attachment C-Project Budget).

Weston Miles Architects, Morgan Hill, led the team of professionals in the preparation of the Project Plans and Technical Specifications and will continue to provide construction support services.

Construction is scheduled to begin in January 2020 with completion anticipated in December 2020. On April 2, 2019, the Board of Supervisors adopted a finding that the Project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15303 (Class 3), construction of limited new, small facilities or structures, and Section 15332 (Class 32), projects characterized as in-fill development, and determined to be consistent with the applicable general plan designation, all applicable general plan policies as well as with applicable zoning designation and regulations. A Notice of Exemption was filed with the County Clerk/Recorder from April 4, 2019 to May 9, 2019 (Attachment D - Notice of Exemption (Filed)).

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management, and Contracts/Purchasing, attended the bid opening and reviewed the low bid for conformance with applicable regulations. The Office of the County Counsel-Risk Management, and Auditor-Controller have reviewed and approved the Contract and Bonds as to form, insurance provisions and fiscal terms, respectively.

FINANCING:

The total estimated project cost for the shelter is \$7,193,147, broken down as follows:

- Construction bid = \$5,760,231
- Construction Contingency (10%) = \$576,023
- Soft Costs: \$856,893

Funding of this Project is made possible largely by the award of HEAP funds in the amount of \$6,018,100. In addition, the City of Salinas agreed to fund \$200,000 to support design, permitting, project management and construction management. That leaves a funding gap of \$975,047. On August 27, 2019, the Board of Supervisors authorized and directed the Auditor-Controller to transfer \$656,893 from Facilities Maintenance Fund 401 Unassigned Fund Balance to Facilities Master Plans Projects, Fund 404, which results in a budget shortfall of \$318,154.

Project costs for FY 2019-20 are budgeted at \$3,923,083 and are supported and funded by the acceptance of the HEAP funds and by the Board's action on August 27. In FY2020-21, project costs are estimated at \$2,920,254, and the Project will require an additional \$318,154. Staff is not requesting additional appropriations for this current fiscal year (FY 2019/20) and will need to address this as part of the FY 2020/21 budget.

County Administrative Office-Housing Program Manager projects that additional grant funds from the Homeless Housing Assistance and Prevention Program (HHAP) may be available to the County that could cover this additional cost occurring in FY2020-21. HHAP provides jurisdictions with one-time grant funds to address their immediate homelessness challenges. If that funding does not materialize, staff would recommend use of Cannabis Funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Provision of safe accommodation afforded by a permanent Emergency Shelter correlates to the Infrastructure, Health and Human Services, and Public Safety Strategic Initiatives adopted by the Board of Supervisors by supporting the goals of improving health and quality of life outcomes for individuals and families experiencing homelessness.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Lindsay Lerable, Chief of Facilities

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A - Bid Summary

Attachment B - Avila Brothers, Inc. dba Avila Construction Company Agreement, Payment and Performance Bonds, Insurance

Attachment C - Project Budget

Attachment D - Notice of Exemption (Filed)

Attachment E - Location Map

(Attachments on file with the Clerk of the Board)