



# Administrative Report

N.1., File # 20-0860

Meeting Date: 5/19/2020

**To:** MAYOR AND CITY COUNCIL  
**From:** TED SEMAAN, PUBLIC WORKS DIRECTOR

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING AWARDING A CONTRACT TO M.S. CONSTRUCTION MANAGEMENT GROUP, A CALIFORNIA CORPORATION, IN THE AMOUNT OF \$11,500,000 FOR THE REDONDO BEACH TRANSIT CENTER PROJECT, JOB NO. 20120

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2005-032, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, TRANSFERRING \$460,000 IN PROPOSITION C FUNDS, AND \$400,000 IN MEASURE R FUNDS FROM THE KINGS DALE RESURFACING, 182ND TO GRANT PROJECT, JOB NO. 40880, TRANSFERRING \$370,000 IN PROPOSITION C FUNDS FROM THE INGLEWOOD AVENUE RESURFACING, MARINE AVENUE TO MANHATTAN BEACH BOULEVARD PROJECT, JOB NO. 41210, TRANSFERRING \$820,000 IN PROPOSITION C FUNDS FROM THE TORRANCE BOULEVARD RESURFACING, PACIFIC COAST HIGHWAY TO PROSPECT AVENUE PROJECT, JOB NO. 41230, TRANSFERRING \$175,000 IN PROPOSITION C FUNDS, AND \$525,000 IN OTHER INTERGOVERNMENTAL GRANT FUNDS FROM THE BUS SHELTERS AND BENCHES PROJECT, JOB NO. 40120, TO THE REDONDO BEACH TRANSIT CENTER PROJECT, JOB NO. 20120

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2005-033, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AWARDING A CONTRACT TO M.S. CONSTRUCTION MANAGEMENT GROUP, A CALIFORNIA CORPORATION, IN THE AMOUNT OF \$11,500,000 FOR THE REDONDO BEACH TRANSIT CENTER PROJECT, JOB NO. 20120

## **EXECUTIVE SUMMARY**

The Redondo Beach Transit Center Project (Project), one of the largest public works projects in the City's recent past, will soon be entering the construction phase. On February 27, 2020, the City received and publicly opened four bids for the Redondo Beach Transit Center Project, Job No. 20120. After staff carefully reviewed the bids, M.S. Construction Management Group (MSCMG) was found to be the responsible bidder with the lowest responsive bid. Staff recommends awarding a public works contract to MSCMG the amount of \$11,500,000.

To fully fund the project, staff is also recommending a re-appropriation of available funding previously appropriated in the FY20-21 CIP program as detailed below.

## **BACKGROUND**

**Project History** - The Redondo Beach Transit Center Project has been in development from as far back as 2009. Design documents were completed in late 2016 after several scope changes, building code updates and property exchange agreement negotiations. Change in ownership of the Galleria property delayed bidding until 2018. The 2018 bidding effort was unsuccessful due to insufficient funding in the project. On November 5, 2019 the City Council authorized advertisement for a second attempt to obtain awardable construction bids for the Project. The Administrative Report recommending this action is included as Attachment 1 and summarizes the Project's history. The proposed action is required to begin construction early this summer.

**Project Description** - The Project includes the relocation and construction of a new transit center along Kingsdale Avenue on the property just south of Target (Phase 1), the widening and realignment of Kingsdale Avenue between Grant Avenue and Artesia Blvd. to allow the installation of an additional dedicated northbound right turn lane, new sidewalk, street lights and landscaping on the east side of the widened street, and the restoration of the current transit center site (Phase 2). These are the first two phases of what will be a three phase Project. An additional final phase (Phase 3) of the Project will include resurfacing of Kingsdale south of Grant Avenue to 182nd Street. Phase 3 plans and specifications will be completed within a timeline to coincide with other work in the first two phases of the Project.

The new transit center will be built on two parcels, one of which is owned by the City. A portion of the new transit center will be built on land currently owned by the South Bay Galleria property owner, and therefore the Project requires the execution of several property exchange, use, and maintenance agreements. These agreements, and the associated first collection of documents associated with this Project, were originally approved by the City Council in 2013. Later, Kingsdale Ave right-of-way design changes and modifications to the Transit Center building design were incorporated into the Project. Per the exchange and lease agreements, the City will own the new transit center site following completion of the Project, and the Galleria owner will own the old transit center site along the east side of Kingsdale Avenue, south of Artesia Blvd. A new easement and maintenance agreement will reflect the public's right of access to the expanded sidewalk and landscape area portion of the Project that will be located on the east side of Kingsdale Ave adjacent to the Galleria parking area. The project plans and specifications and approval of the revised property exchange agreements were approved by the City Council on May 15, 2018.

**Project Construction Timeline** - The construction of Phases 1 and 2 is expected to last 14 months. Phase 3 will follow and should be completed within a few months of completion of this contract.

Milestone dates in the project schedule are as follows:

- |  |             |
|--|-------------|
| • Award of Construction Contract (Phases 1 and 2)      | May 2020    |
| • Construction Contract Notice to Proceed Issued (1&2) | July 2020   |
| • Approval of Plans and Specifications (Phase 3)       | Winter 2021 |
| • Phase 3 Award and Notice to Proceed (Phase 3)        | Spring 2021 |
| • Notice of Completion (Phases 1 and 2)                | Fall 2021   |
| • Notice of Completion (Phase 3)                       | Fall 2021   |

**Bid Analysis and Protest Review** - Staff received four bids for the project on February 27, 2020, which are summarized in the City Clerk's memorandum of the bid results included as Attachment 2. The apparent low bidder, Woodcliff Corporation with a bid of \$10,426,000, later withdrew their bid (Attachment 3), citing a clerical error, making the bid from MSCMG the new apparent low bidder. Staff is still investigating whether to file a claim against the bid bond of Woodcliff, who argue that their withdrawal is within the allowable reason for withdrawal provided in the Instruction to Bidders. Awarding the project to MSCMG will not prejudice the City's ability to file a claim against the bid bond.

One of the remaining bidders, Archico Design-Build (Archico), filed a protest against the bid from MSCMG. After careful review by the City Engineer, in consultation with the City Attorney's office, outside counsel and the City's consultant construction manager, the bid protest was denied on its merits. Notice (Attachment 4) was given to Archico according to the procedure outlined in the bid documents, who filed an appeal to the City Manager also per the prescribed procedures. The City Manager's office has denied the appeal on its merits. Therefore, staff recommends awarding the contract to MSCMG.

**Project Funding** - The first attempt to award this project ended with the City Council rejecting all bids on September 18, 2018 as all bids exceeded the Project budget at the time. In the intervening period, additional funding in the amount of \$4.5M has been secured from the Los Angeles County Metropolitan Transit Authority (METRO), bringing the total Project budget to \$12,162,254 for all three phases. The funding agreement for this \$4.5M was approved on April 7, 2021 by the City Council.

However, the amount of the lowest responsive bid received in February 2020 requires additional money be appropriated to the project. Staff has inquired of and received a favorable response that additional money can be secured from METRO in the amount of \$2.5M. A METRO Board action is required to guarantee that funding and could not be expected before later in 2020. The lowest bid is only be good for 90 days after the bid date, and would therefore expire at the end of May 2020. In lieu of waiting for the METRO Board action, resulting in a lost bid and having to re-bid for a third time, staff is proposing a transfer of previously allocated funds in the CIP from projects that do not require them at this time. Upon action of the METRO Board to approve the additional funding, staff will bring forward a resolution to re-appropriate funds back to these projects as needed.

The projects from which funds are proposed to be transferred include the following.

The Kingsdale Resurfacing, 182nd to Grant Avenue Project, Job No. 40880, also identified as Phase 3 of the Transit Center project and not included in the scope of this contract, is to repave the portion of Kingsdale Avenue from 182nd Street to Grant Avenue. This work would not be completed until the new Transit Center (Phase 1) is operational and Kingsdale Ave. from Grant Avenue to Artesia Blvd. is widened (Phase 2). Phases 1 and 2 are expected to be complete about 14 months after construction begins. Staff proposes to transfer \$460,000 in Prop C money and \$400,000 Measure R money from Phase 3 to Phase 1 of the Transit Center project. These funds would be restored upon approval of the new request by METRO.

The Bus Bench & Shelter Replacement Project - Phase 2 has served to restore public benches, trash

cans and shelters at existing bus stops throughout the City. The final obligation of this program is the purchase of benches for approximately 43 more locations and for a small inventory of spares. The project has over \$800,000 in available funds and the procurement of the remaining benches, which is estimated to cost no more than \$100,000. Therefore, staff proposes transferring the remaining \$700,000 from this project into the Transit Center Project Phase 1. Funding for this project is from a Federal grant and Prop C money.

The Inglewood Avenue Resurfacing Marine to Manhattan Beach Blvd. project will not require its full budget of \$500,000 from Prop C funding due to some cooperative work with the City of Lawndale, who shares about half of the roadway in this stretch. Staff proposes to transfer \$350,000 of this funding to Phase 1 of the Transit Center Project, leaving \$150,000 for the City's portion of work on Inglewood Avenue, which will be completed in conjunction with the Measure R project at the intersection of Inglewood Avenue and Manhattan Beach Blvd., expected in the Spring of 2021. The "borrowed" \$350,000 could be restored to the project after approval of the new METRO request if needed.

The Torrance Blvd. Resurfacing Project PCH to Prospect is also funded by Prop C funding in the amount of \$950,000. Currently, staff is awaiting proposals for design, which would not be concluded until the end of the next fiscal year. Staff proposes to transfer \$820,000 of these Prop C funds to the Transit Center Project, Phase 2 and to restore these funds upon approval of the new METRO request. The remaining \$130,000 should be more than sufficient to complete the design phase of the project.

Resolutions for budget modification, requiring a four-fifths vote, and for award of the contract are included as Attachments 5 and 6, respectively.

### **COORDINATION**

Plans and specifications development were coordinated by the Public Works Department and approved by Transit Division and the Building and Safety Division. Review of the bid protest was coordinated with the City Attorney's office. The proposed transfer of funds was coordinated with the Transit Division of the Community Services Department.

### **FISCAL IMPACT**

Transit Center Funding Plan - Phases 1 & 2

Funding		Estimated Expenses		
<i>Phase 1</i>		<i>Phase 1</i>		
Federal Grants	\$ 2,697,754	MSCMG Bid	\$ 9,900,000	81.8%
Prop C Local	\$ 2,107,500	Contingency	\$ 990,000	8.2%
Regional Measure M	\$ 4,500,000	PM & Eng Support	\$ 392,428	3.2%
Measure M Local	\$ 865,000	<u>CM &amp; Inspection</u>	<u>\$ 817,826</u>	<u>6.8%</u>
Ph 3 Prop C (new)	\$ 460,000	<i>Phase 1 Subtotal</i>	\$12,100,254	100%
Ph 3 Meas R (new)	\$ 400,000	<i>Phase 2</i>		
Ingl Prop C (new)	\$ 370,000	MSCMG Bid	\$ 1,600,000	82.0%
<u>Bus Bnch Shlter (new)</u>	<u>\$ 700,000</u>			

<i>Phase 1 Subtotal</i>	\$12,100,254	Contingency (10%)	\$ 160,000	8.2%
		PM & Eng Support	\$ 59,826	3.1%
<i>Phase 2</i>		<u>CM &amp; Inspection</u>	<u>\$ 132,174</u>	<u>6.8%</u>
Regional Measure R	\$ 992,000	<i>Phase 2 Subtotal</i>	\$ 1,952,000	100%
Prop C Local	\$ 140,000			
<u>Torr Blvd Prop C (new)</u>	<u>\$ 820,000</u>	<i>Phase 1 share</i>	86%	
<i>Phase 2 Subtotal</i>	\$ 1,952,000	<i>Phase 2 share</i>	14%	
<i>Phase 1 &amp; 2 Total</i>	<u>\$14,052,254</u>	<i>Phase 1 &amp; 2 Total</i>	<u>\$14,052,254</u>	

**APPROVED BY:**

Joe Hoefgen, City Manager

**ATTACHMENTS**

1. November 5, 2019 Agenda Report
2. Bid Results Summary
3. Bid Withdrawal Letter
4. Bid Protest Decision
5. Budget Modification Resolution
6. Contract Award Resolution