

**ALL ITEMS FOR CONSIDERATION BY THE CITY COUNCIL AND CITY COUNCIL AS SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION ARE AVAILABLE FOR PUBLIC VIEWING IN THE OFFICE OF THE CITY CLERK AND THE CENTRAL LIBRARY**

**Agendas and other writings that will be distributed to the Councilmembers in connection with a matter subject to discussion or consideration at this meeting and that are not exempt from disclosure under the Public Records Act, Government Code Sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22, are available for inspection following the posting of this agenda in the City Clerk's Office, at Commerce City Hall, 2535 Commerce Way, Commerce, California, and the Central Library, 5655 Jillson Street, Commerce, California, or at the time of the meeting at the location indicated below.**

**AGENDA FOR THE CONCURRENT ADJOURNED REGULAR MEETINGS OF  
THE CITY COUNCIL OF THE CITY OF COMMERCE AND  
THE CITY COUNCIL OF THE CITY OF COMMERCE AS SUCCESSOR  
AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT  
COMMISSION  
CITY HALL EMERGENCY OPERATIONS CENTER  
2535 COMMERCE WAY, COMMERCE, CALIFORNIA**

**THURSDAY, FEBRUARY 16, 2012 – 5:00 P.M.**

**CALL TO ORDER**

Mayor Aguilar

**ROLL CALL**

City Clerk Olivieri

**PUBLIC COMMENT**

Citizens wishing to address the City Council and City Council as Successor Agency to the Commerce Community Development Commission ("Successor Agency") on any item on the agenda or on any matter not on the agenda may do so at this time. However, State law (Government Code Section 54950 et seq.) prohibits the City Council/ Successor Agency from acting upon any item not contained on the agenda posted 72 hours before a regular meeting and 24 hours before a special meeting. Upon request, the City Council/Successor Agency may, in their discretion, allow citizen participation on a specific item on the agenda at the time the item is considered by the City Council/Successor Agency. Request to address City Council/Successor Agency cards are provided by the City Clerk. If you wish to address the City Council/ Successor Agency at this time, please complete a speaker's card and give it to the City Clerk prior to commencement of the City Council/Successor Agency meetings. Please use the microphone provided, clearly stating your name and address for the official record and courteously limiting your remarks to five (5) minutes so others may have the opportunity to speak as well.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

No person shall make any remarks which result in disrupting, disturbing or otherwise impeding the meeting.

Items under the Consent Calendar are considered to be routine and may be enacted by one motion. Each item has backup information included with the agenda, and should any Councilmember desire to consider any item separately he/she should so indicate to the Mayor. If the item is

desired to be discussed separately, it should be the first item under Scheduled Matters.

### SCHEDULED MATTERS

1. Alternative Options for Cash Contract No. 1109 – The Central Library, City Hall and Senior Plaza Improvements Project and Other Related Matters Thereto

The **City Council** will consider providing direction as deemed appropriate with respect to several alternative options for the Cash Contract No. 1109 – The Central Library, City Hall and Senior Plaza Improvements Project

### RECESS TO CLOSED SESSION

2. Pursuant to Government Code §54956.8,
  - A. The **City Council as Successor Agency to the Commerce Community Development Commission** will confer with its real property negotiators, Jorge Rifá and Bob Zarrilli, with respect to real estate negotiations with Mayans Development, Inc., including proposed price and other terms, concerning real property located on Eastern Avenue, commonly known as APN 5241-013-900, APN 5241-013-901, APN 5241-013-902, APN 5241-013-903 and APN 5241-014-900; Greenwood Avenue, commonly known as APN 6357-011-909, APN 6357-011-907 and APN 6357-011-910; Nicola Avenue, commonly known as APN 6351-038-900; Neenah Street, commonly known as APN 6356-015-900; Watcher Street, commonly known as APN 6357-014-900, APN 6257-014-901, APN 6357-014-902 and APN 6357-014-903; Gage Avenue, commonly known as APN 6357-016-900, APN 6357-016-901, APN 6357-016-905 and APN 6357-016-002 and Gage Avenue (privately owned), commonly known as APN 6357-016-003.
3. Pursuant to Government Code §54956.9(a),
  - A. The **City Council as Successor Agency to the Commerce Community Development Commission** will confer with its legal counsel and take the appropriate action, with respect to the pending litigation of California Redevelopment Association, et al. v Ana Matosantos, et al., Supreme Court of the State of California, Case No. S194861.
  - B. The **City Council and City Council as Successor Agency to the Commerce Community Development Commission** will confer with their legal counsel, and take the appropriate action, with respect to the pending litigation of City of Cerritos, et al. v. State of California, et al., Superior Court of the State of California, County of Sacramento, Case No. 34-2011-80000952.
4. Pursuant to Government Code §54956.9(b),
  - A. The **City Council** will confer with its legal counsel, and take the appropriate action, with respect to significant exposure to litigation in two potential cases.
  - B. The **City Council as Successor Agency to the Commerce Community Development Commission** will confer with its legal counsel, and take the appropriate action, with respect to significant exposure to litigation in one potential case.

**CONCURRENT ADJOURNED REGULAR COUNCIL/SUCCESSOR AGENCY  
AGENDA**

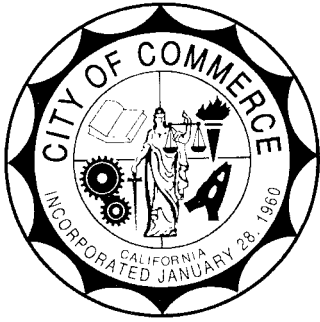
**02/16/2012 – 5:00 p.m.**

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5. Pursuant to Government Code §54957.6,
  - A. The **City Council** will confer with its labor negotiator, Jorge Rifá, with respect to labor negotiations pertaining to the Memoranda of Understanding between the City and the City of Commerce Employees Association on behalf of the mid-management and non-management full-time employees and part-time employees.

**ADJOURNMENT**

**LARGE PRINTS OF THIS AGENDA ARE AVAILABLE UPON REQUEST  
FROM THE CITY CLERK'S OFFICE, MONDAY-FRIDAY,  
8:00 A.M. - 6:00 P.M.**



# AGENDA REPORT

MEETING DATE: February 16, 2012

**TO:** HONORABLE CITY COUNCIL  
**FROM:** CITY ADMINISTRATOR  
**SUBJECT:** ALTERNATIVE OPTIONS RELATING TO CASH CONTRACT NO. 1109 – THE CENTRAL LIBRARY, CITY HALL AND SENIOR PLAZA IMPROVEMENTS PROJECT

**RECOMMENDATION:**

At City Council discretion, direct staff to proceed with an alternative option.

**MOTION:**

Provide direction as deemed appropriate.

**BACKGROUND:**

On October 18, 2011, the City Council approved the Project Plans and Specifications, as prepared by Adrian-Gaus Architects, Inc., and Notice Inviting Sealed Bids.

On December 20, 2011, the City Clerk received and opened 14 bids for this project. The bids ranged from \$5,149,000 to \$7,736,000.

On December 21, 2011, the lowest bidder submitted a letter withdrawing its bid for the project.

On February 7, 2012, City Council approved a resolution rejecting all bids submitted for the project.

**ANALYSIS:**

A detail review and examination of the bids indicate that in most areas the project estimate was close to the actual bids received, with the exception of the following areas:

Project Components/Tasks	Over Estimated Budget
Heating Ventilation and Air Conditioning Work	\$164,000
Electrical Work	\$115,000
Temporary Library	\$250,000

Although, the three lowest bidders are very close to the project estimate and some areas could be modified to fit the project budget, at this time staff is recommending that the City Council reject all bids and considered directing staff to proceed with one of the following alternatives:

**ALTERNATIVE 1.** Value Engineer and Rebid Project (reduce by \$800,000 to \$1,000,000) – Eliminate most exterior work, reduce size of temporary facility, reduce number of HVAC units to be replaced, reduce furnishing/IT purchases, etc.

**ALTERNATIVE 2.** Value Engineer and Rebid Project (reduce by \$1,500,000 to \$2,000,000) – Incorporate all elements in Alternative 1; leave Literacy Center in its current location; run computer wires above ceiling; minimize interior demolition; carpet all area (eliminate use of tiles and rubber flooring); keep existing HVAC system and only install new ducts and registers; no ceiling over stack areas; eliminate Council Lobby improvements; eliminate office/administration improvements; etc.

**ALTERNATIVE 3.** Place Project On-hold until Economy Improves – Do not proceed with any additional work on the project plans and specifications and postpone project to a future fiscal year.

**ALTERNATIVE 4.** Terminate/Cancel Project Completely – Do not proceed with any additional work on the project plans and specifications and cancel project in its entirety.

The City has already invested heavily on the project. This investment may be lost if the project does not move forward, Staff, therefore, recommends that the City Council consider proceeding with Alternative 2. Although Alternative 2 drastically reduces the scope of work, it still brings the library up-to-date technically while providing a face lift and reducing the project overall cost/budget.

**FISCAL IMPACT:**

At this time, the proposed project budget is as follows and available in the following accounts:

Central Library Renovation Project (040-5180-54043-10134).....	\$6,600,000
Council Chambers/Sr. Center Walkway Project (040-5180-57010-10144)...	\$ 500,000
Total Funding.....	<b>\$7,100,000</b>

As of January 9, 2012, the City has expended \$1,237,794 on this project, leaving a balance of \$5,862,206.

**RELATIONSHIP TO 2009 STRATEGIC GOALS:**

The issue before the Council is applicable to the following Council's strategic goal: "Protect and Enhance Quality of Life in the City of Commerce." Although, there are no specific objectives connected to this issue, the City is responsible for ensuring that city-owned buildings and grounds are in good and safe order for public and staff use.

**Recommended by:**

  
Robert Zarrilli  
Director of Community Development

**Respectfully submitted,**

  
Jorge Rifa  
City Administrator

**Recommended by:**

  
Beatriz Sarmiento  
Interim Director of Library Services

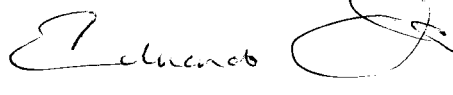
**Prepared by:**

  
Danilo Batson  
Assistant Director of Public Services

**Fiscal impact reviewed by:**

  
Vilko Domic  
Director of Finance

**Approved as to form:**

  
Eduardo Olivo  
City Attorney

**ATTACHMENTS:** PowerPoint Presentation

# *City of Commerce*



## CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

### Bid Process

- A. The estimate was \$5,167,000. This included:
- The Library, Senior Plaza and City Hall Improvements.
  - \$180,000 Allowance for Structural Upgrades unknown at bid time
  - \$500,000 Allowance for furniture and equipment
  - \$18,000 Allowance for Permit Fees
- B. In addition to the estimate the overall project budget included a contingency of \$330,000.



# *City of Commerce*

## CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

### Bid Results

- A. The initial low bidder came in at \$5,149,000. This bidder requested that their bid be withdrawn.
- B. The second low bidder came in at \$5,345,881. This bidder's paperwork was not in order.
- C. The third lowest bidder came in at \$5,537,000. This is the apparent low bidder.
- D. The bids ranged from \$5,149,000 to \$7,736,000.
- E. The combined average of the five lowest bidders was \$5,595,576. This is a difference of \$428,576 from the estimate.
- F. The difference between the estimate and the apparent low bidder is \$388,000
- G. The difference between the estimate and the average of all bidders was \$834,000



# *City of Commerce*

## CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

### Bid Findings

After reviewing the seven lowest bids in detail most items fell within the estimate except for the following:

- A. The HVAC system was \$164,000 over the estimate.
- B. The electrical system was \$115,000 over the estimate.
- C. The temporary library was on average \$250,000 over the estimate.
- D. Other areas of overage were certain ceiling systems and finishes , stone tile and communications wiring.
- E. Possible reasons for overage were the cost of labor due to the complexity of the project, recent rising costs of materials and attempting to provide a level of service to the community and functioning staff areas during construction that is close to what is being provided currently.





# City of Commerce

## CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

### Alternative 1

#### Value Engineering to Meet Existing Budget

A. To rebid the project and expect it to come in under budget, we would need to Value Engineer the project by \$800,000 to \$1,000,000 (including added costs required to achieve the savings). Potential areas to reduce the scope on key components while not comprising quality or investment

- are:
- Furniture
  - Flag Pole Relocation.
  - Temporary Library
  - LEED
  - HVAC
  - Library Exterior
  - Electrical/ Lighting
  - Council Chambers Lobby
  - Staff work areas

Time Frame: 2-3 Months Before Rebid. Begin Construction in August 2012

	Estimated Total Construction Cost	Admin and Design Cost To Complete	Admin and Design Cost To Date	TOTAL PROJECT COST
Alt 1	\$5,362,206	\$500,000	\$1,237,794	\$7,100,000



# City of Commerce

## CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

### Alternative 2

#### Value Engineering to Reduce Budget by \$1,500,000 to \$2,000,000

- A. The goal would be to scale down the project to the essentials required to bring the library into the 21<sup>st</sup> century within \$3,000,000. The program spaces would remain the same, the furniture and technology budgets will remain in tact. Structural Improvements would continue per design and the only the essential HVAC systems would be upgraded. Electrical upgrades would proceed but the entire electrical system would be streamlined. We would work towards a simplified version of the original intent.

Time Frame: 3-4 Months Before Rebid. Begin Construction in September 2012

	Estimated Total Construction Cost	Admin and Design Cost To Complete	Admin and Design Cost To Date	TOTAL PROJECT COST
Alt 2	\$3,000,000	\$600,000	\$1,237,794	\$4,837,794



# City of Commerce

CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

## Alternative 3

### Place Project On-Hold until Economy Improves

- A. Do not proceed with any additional work on the project plans and specifications and postpone project to a future fiscal year.

Time Frame: TBD

	Estimated Total Construction Cost	Admin and Design Cost To Complete	Admin and Design Cost To Date	TOTAL PROJECT COST
Alt 1	TBD	TBD	\$1,237,794	TBD



# City of Commerce

CENTRAL LIBRARY, CITY HALL & SENIOR PLAZA IMPROVEMENTS

## Alternative 4

**Terminate / Cancel Project Completely**

- A. Do not proceed with any additional work on the project plans and specifications and cancel project in its entirety.

Time Frame: TBD

	Estimated Total Construction Cost	Admin and Design Cost To Complete	Admin and Design Cost To Date	TOTAL PROJECT COST
Alt 1	\$0	\$0	\$1,237,794	\$1,237,794