

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Patrick Thomas, Director of Public Works/City Engineer

DATE: March 9, 2021

SUBJECT: Approve Design Build Agreement and General Conditions with De La Secura Builders, Inc. for the Margarita Recreation Center, Project No. PW17-21

PREPARED BY: Avlin Odviar, Senior Civil Engineer
Nino Abad, Associate Civil Engineer

RECOMMENDATION: That the City Council:

1. Approve the Design Build Agreement and General Conditions with De La Secura Builders, Inc. with a Guaranteed Maximum Price (GMP) amount of \$8,680,459.00, for the Margarita Recreation Center Project, PW17-21; and
2. Authorize the City Manager to approve change orders up to 1.4% of the agreement amount, \$120,000.00.

BACKGROUND: The Margarita Recreation Center (MRC) is an existing building with pool located within Margarita Community Park at 29119 Margarita Road. For many years, the MRC building was utilized by the YMCA to run its youth development and community service programs. In 2012, the building was acquired by the City. Currently, the Temecula Community Service District (TCSD) provides a variety of community programs and classes at the MRC.

There have been several assessments of the building regarding retrofit, repair, and/or expansion to address building deficiencies along with the need to expand uses of the facility. Most recently, the Margarita Recreation Center Community Needs Assessment was completed in 2017. Ultimately, it was determined that a complete demolition of the existing facility and replacement with a new building and pool would best address the needs of the City and community. Furthermore, City staff considers delivery of these improvements via design-build methodology to be suitable and advantageous, as it allows greater flexibility in decision-making while controlling overall cost. This is the City's first design-build project.

As required for Local Agency Design-Build Projects per California Public Contract Code (PCC) Section 22164, all bidders were pre-qualified. On November 21, 2019 the Department of Public Works posted a Request for Qualifications (RFQ) on the City's bid site, PlanetBids. Staff

evaluated the statements of qualifications received, and on February 11, 2020 the City Council Pre-Qualified the following six (6) firms:

1. AMG & Associates, Inc.
2. De La Secura Builders, Inc.
3. Hamel Contracting, Inc.
4. Pence Construction, Inc
5. R.C. Construction Services, Inc.
6. Nielsen Construction California, Inc

On July 24, 2020 the City issued a Request for Proposal (RFP) to the prequalified firms. However, the City was not able to issue a contract as the project budget was insufficient to design and construct the intended facility in a single phase. On October 27, 2020 the Temecula City Council approved an increase to the project budget for PW17-21. The RFP was reissued on November 19, 2020 and three (3) responsive proposals were received on December 23, 2020 from the following Design-Build firms:

1. AMG & Associates, Inc.
2. De La Secura Builders, Inc.
3. R.C. Construction Services, Inc.

The City also received two (2) non-responsive proposals from Clean Coast, Inc. and Keystone Ridge Designs. These proposals were not reviewed as these firms were not pre-qualified and both firms were not intending to submit Design-Build services as a prime, but were intending to submit for subcontract work and services to the prospective primes.

Staff has evaluated the three (3) responsive design build proposals and has determined that De La Secura Builders, Inc. (DLS) submitted the “best value” proposal per section 22164 of the PCC. Staff has also completed negotiations with DLS and reached an agreement amenable to both parties. Therefore, it is the recommendation of staff that the Temecula City Council award the Design Build Contract to DLS for the Margarita Recreation Center Project, PW17-21 for the Guaranteed Maximum Price of \$8,680,459.00. This price consists of \$565,000 for design, \$7,472,462 for construction, and \$642,997 for profit.

The agreement provides for the design, environmental clearance, and construction of the new recreational center, and demolition of the existing recreational center. The new recreational center generally consists of approximately 8,600 square feet of indoor space including a classroom, multipurpose room with operable partition, dance/fitness room, kitchen, administrative/reception offices, lifeguard/aquatic and first aid rooms, locker rooms, and restrooms. The new center’s outdoor facilities include multiple patio spaces and a 45’ wide x 75’ long pool with shallow depth entry transitioning to a 9’ maximum depth with a ¾ meter height diving board. An accessory structure for mechanical equipment related to the pool as well as additional storage is also included.

It is anticipated that the project will be deemed Categorically Exempt from the California Environmental Quality Act. The appropriate environmental studies, document, and clearance will be completed concurrent with the design phase, prior to construction.

FISCAL IMPACT: The Margarita Recreation Center project is identified in the City's Capital Improvement Program (CIP) budget for Fiscal Years 2021-25 with funds including Capital Financing, DIF (Park & Rec Improvements) and Measure S. There are sufficient funds in Account No. 210.265.692 to award this Design-Build agreement for \$8,680,459.00, plus the \$120,000.00 contingency, for a total encumbrance of \$8,800,459.00.

ATTACHMENTS:

1. Design-Build Agreement
2. General Conditions
3. Project Description and Budget Sheet