



CITY COUNCIL STAFF REPORT



November 12, 2024

ITEM TITLE

Contract: Accept Bids and Award a Contract to 3-D Enterprises Inc. for Eucalyptus Park Project; Amend Infrastructure, Facilities & Equipment Expenditure Plan, ARPA Spending Plan, FY 2024-25 CIP, and Appropriate Funds for the Project

Report Number: 24-0256

Location: 436 C Street

Department: Engineering

G.C. § 84308: No

Environmental Notice: The Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities), Section 15303 Class 3 (New Construction or Conversion of Small Structures), and Section 15304 Class 4 (Minor Alterations to Land).

Recommended Action

Adopt a resolution (1) accepting the bids and awarding a public works contract to 3-D Enterprises Inc. for the “Eucalyptus Park (PRK0340)” project in the amount of \$15,876,000, (2) amending the Infrastructure, Facilities, and Equipment Expenditure Plan, (3) amending the American Rescue Plan Act Spending Plan, and (4) amending the fiscal year 2024-25 Capital Improvement Program budget by appropriating \$3,548,795 from the available balance of the Measure P fund to PRK0340, and transferring \$1,220,342 in American Rescue Plan Act funds from “Loma Verde Recreation Center” (GGV0247) to the “Eucalyptus Park (PRK0340)” project to cover the projected costs of the construction phase of the project. **(4/5 Vote Required)**

SUMMARY

On October 2, 2024, the Director of Engineering and Capital Projects received two (2) sealed bids for the “Eucalyptus Park (PRK0340)” project. After review of the bids, staff recommends awarding a public works contract to the lowest responsive and responsible bidder, 3-D Enterprises Inc. Adoption of the resolution would: 1) accept bids and award the public works contract for the construction phase of the project to 3-D Enterprises Inc. in the amount of \$15,876,000; 2) amend the Infrastructure, Facilities, and Equipment Expenditure Plan; 3) amend the American Rescue Plan Act Spending Plan; 4) amend the fiscal year 2024-25 Capital Improvement Program budget by appropriating \$3,548,795 from the available balance of the

Measure P Fund to the “Eucalyptus Park (PRK0340)” project and transferring \$1,220,342 in American Rescue Plan Act funds from “Loma Verde Recreation Center” (GGV0247) to the “Eucalyptus Park (PRK0340)” project.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities), Section 15303 Class 3 (New Construction or Conversion of Small Structures), and Section 15304 Class 4 (Minor Alterations to Land) because the proposed project would not result in a significant effect on the environment, create a cumulative impact, damage a scenic highway, or cause a substantial adverse change in the significance of a historical resource. Thus, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

City staff will prepare an updated Infrastructure, Facilities, and Equipment Expenditures Plan for presentation at the next Measure P Citizens Oversight Committee (COC) meeting scheduled for January 23, 2025.

DISCUSSION

Background

Eucalyptus Park is an existing 19.69-acre community park which serves the northwestern area of Chula Vista with aged facilities in need of renovation. Through a call for projects by Statewide Parks Program Round 4, the City of Chula Vista (“City”) applied for and was successful in its application to receive state funding for the design and construction of the Eucalyptus Park renovation project (“Project”). On February 2, 2022, the City entered into a Grant Contract SW-37-015 that included the Eucalyptus Park improvements and the adjacent Casa Casillas renovations.

On August 26, 2022, the City issued a Request for Proposals from qualified design teams to develop a park master plan and to outline deliverables for the ultimate scope of work required for the Project. On October 25, 2022, the City entered into an Agreement with the selected consultant team to provide design, pre-construction, and construction administration services for the Project.

During the master plan and design development phase of work, it was determined that in order to fully complete the existing park amenity improvements required, additional funds were needed. Council has since approved the appropriation of American Rescue Act Plan (“ARPA”) funds within the project to augment previously appropriated grant funds.

Scope

The Eucalyptus Park (PRK0340) improvements funded by the State Grant include a multipurpose field with lighting, interactive water feature, skate/scooter plaza, bike skills plaza and jump area, walking path with fitness equipment, pickleball courts with lighting, and renovations to existing playground, parking and dog park areas. The ARPA-funded improvements include upgrades to existing lighting, tennis and basketball

courts, softball field, shade structures, restroom and storage buildings, trash enclosure and perimeter fencing.

Bidding Process

On September 13, 2024, Engineering and Capital Projects Staff advertised the project. Two (2) sealed bids were received on October 2, 2024. The submitted base bid totals from the prime contractors were as follows:

<u>Ranking</u>	<u>Contractor</u>	<u>Submitted Base Bid Amount</u>
1	3-D Enterprises Inc.	\$15,876,000
2	Dick Miller Inc.	\$16,410,827

The low bid of \$15,876,000, which is approximately 18% above the Engineer’s estimate, was submitted by 3-D Enterprises Inc. 3-D Enterprises Inc. is currently an active licensed contractor (License No. 621125).

After completing bid analysis, staff determined that the increase in bid costs are largely attributable to the following:

- Industry-wide construction cost increases
- Specialty scope items
- Expedited schedule

Due to the low number of bids received, staff contacted the seventeen (17) other prospective bidders identified through PlanetBids, the electronic bidding platform used by the City, to solicit feedback on their decision not to submit a bid. Several prospective bidders responded and primarily noted the following:

- Prior engagements on other projects
- Insufficient staff for the additional effort required to determine pricing for the lump sum bid items included in the bid schedule
- Issues with obtaining subconsultant bid proposals
- Personal difficulties submitting the bid documents on PlanetBids in the time allotted

The feedback received involved outside factors that cannot be controlled; therefore, it appears that the bid documents for the project were adequate, and the bids received represented a fair response to the project advertisement.

Staff received a protest of the low bid from the second low bidder. The protests notes that 3-D Enterprises Inc. did not submit information related to their Lithocrete installer, which is a specialty material that requires a certified installer. However, 3-D Enterprises subsequently confirmed that its subcontractor has retained a certified Lithocrete installer. The bid is therefore valid, 3-D Enterprises is qualified to perform the work, and any failure to include the information in the bid is inconsequential. Staff has informed Dick Miller Inc. of these reasons for denying the protest.

Staff recommends accepting bids, finding that all deviations in the low bid are immaterial and may be waived, and awarding the public works contract for the “Eucalyptus Park (PRK0340)” project to the lowest responsive and responsible bidder, 3-D Enterprises Inc. Furthermore, staff recommends amending the Measure P Infrastructure, Facilities, and Equipment Plan, as well as the fiscal year 2024-25 Capital

Improvement Program budget to allocate and appropriate an additional \$4,769,137 to cover the projected construction costs as shown in more detail below.

Disclosure Statement

Attachment 1 is a copy of the Contractor’s Disclosure Statement.

Wage Statement

The Contractor that is awarded the contract and its subcontractors are required to pay prevailing wage to persons employed by them for work under this contract. The prevailing wage scales are those determined by the Director of the Department of Industrial Relations, State of California.

ARPA Funding

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”), established by the American Rescue Plan Act (“ARPA”), to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. The SLFRF program provides substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis.

The City received a total of \$57.5 million in ARPA funds, which were appropriated by the City Council with an initial expenditure plan presented on August 24, 2021. On December 12, 2023, the City Council approved a total of \$7,810,283 in previously appropriated ARPA funds towards the Eucalyptus Park renovation.

This action proposes to reallocate \$1,220,342 in previously appropriated ARPA funds towards the Eucalyptus Park renovation by amending the ARPA Spending Plan to reallocate funds from the Loma Verde CIP Project (GGV0247) to Eucalyptus Park Improvement CIP Project (PRK0340) within the Revenue Replacement Expenditure Category, as detailed in Table 1 below. Because both projects are included in the Revenue Replacement Expenditure Category, this reallocation has no net impact to the Spending Plan summary.

City of Chula Vista - ARPA Spending Plan

Category	FY 2022 Final Budget	FY 2023 Final Budget	FY 2024 Revised Budget	FY 2024 Proposed Adjustments	Total Budget with Proposed Adjustments
EC 1 - Public Health	\$ 9,867,625	\$ 9,867,625	\$ (18,751,868)	\$ -	\$ 983,382
HVAC (Project GGV0261)	9,000,000	8,900,000	(17,900,000)	-	-
COVID Testing/Vaccinations	667,625	367,625	(851,868)	-	183,382
SBCS Domestic Violence	200,000	200,000	-	-	400,000
Casa Nueva Vida DV Shelter	-	400,000	-	-	400,000
EC 2 - Negative Economic Impacts	\$ 300,000	\$ 3,822,558	\$ (3,522,558)	\$ -	\$ 600,000
Jacobs and Cushman San Diego Food Bank	100,000	100,000	-	-	200,000
Alpha Project - Take Back the Streets	100,000	100,000	-	-	200,000
Homeless Supportive Services	100,000	100,000	-	-	200,000
Eucalyptus Park	-	3,522,558	(3,522,558)	-	-
EC 2 - Economic Development	\$ 2,900,000	\$ -	\$ (51,951)	\$ -	\$ 2,848,049
Small Business Grants	2,600,000	-	-	-	2,600,000
Choose Chula	100,000	-	-	-	100,000
Curb/Sidewalk Café Grant	200,000	-	(51,951)	-	148,049
EC 4 - Premium Pay to Essential Workers	\$ 916,000	\$ 1,541,000	\$ -	\$ -	\$ 2,457,000
EC 5 – Infrastructure	\$ 900,000	\$ -	\$ (900,000)	\$ -	\$ -
EC 6 - Revenue Replacement	\$ 11,592,750	\$ 15,827,692	\$ 23,226,377	\$ -	\$ 50,646,819
Governmental Funds	11,592,750	15,827,692	23,226,377	-	50,646,819
EC 7 - Administrative Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 26,476,375	\$ 31,058,875	\$ -	\$ -	\$ 57,535,250

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the Mayor and City Council and has found that, Mayor McCann has real property holdings within 500 feet of the boundaries of the property which is the subject of this action. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(7), this item presents a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.) for the above-identified member.

Staff is not independently aware, and has not been informed by any Mayor or City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Approval of this resolution amends the Infrastructure, Facilities, and Equipment Expenditure Plan, amends the American Rescue Plan Act Spending Plan, and amends the fiscal year 2024-25 Capital Improvement Program budget by appropriating \$3,548,795 from the available balance of the Measure P fund and transferring \$1,220,342 in ARPA funds from CIP GGV0247 to cover the projected costs of the construction phase for PRK0340.

There is no current-year fiscal impact to the General Fund as a result of this action.

A summary of expected project costs for PRK0340 is as follows:

FUNDS REQUIRED FOR CONSTRUCTION	
A. Contract Amount	\$15,876,000
B. Contract Contingency (Approx. 6%)	\$1,000,000
C. Construction Support (Approx. 4%)	\$700,000
D. Project Closeout (Approx. 0.6%)	\$100,000
TOTAL FUNDS REQUIRED FOR CONSTRUCTION	\$17,676,000

FUNDS AVAILABLE FOR CONSTRUCTION	
A. American Rescue Plan Act (Acct #: PRK0340-268)	\$7,277,547
B. California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Acct#: PRK0340-273490)	\$5,629,316
C. New Appropriation of Measure P Funds (Acct#: PRK0340-220)	\$3,548,795
D. Transfer of ARPA Funds from GGV0247 (Acct#: PRK0340-268)	\$1,220,342
TOTAL FUNDS AVAILABLE FOR CONSTRUCTION	\$17,676,000

ONGOING FISCAL IMPACT

The proposed award and appropriation will have no ongoing fiscal impact related to the CIP. All costs associated with the completion of PRK0340 will be covered within the project’s budget, with no additional funding required. Upon completion of the project, the improvements will require routine park maintenance which will be addressed through the normal budget process.

ATTACHMENTS

1. Disclosure Statement
2. Project Title Sheet
3. 3-D Enterprises Inc. Bid Schedule

*Staff Contact: Rosina Flores, Principal Civil Engineer
 Patricia Ferman, Principal Landscape Architect
 Laura Handschumacher, Landscape Architect
 Gregory Tscherch, Senior Civil Engineer
 Tim Jones, Associate Civil Engineer
 Matthew Little, PE, Deputy City Manager /Director of Engineering & Capital Projects*