

# City of Hesperia

## STAFF REPORT



**DATE:** March 19, 2019

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
Jamie Carone, Administrative Analyst

**SUBJECT:** Amendment to contract with Abboud Diamond Construction, Inc. to complete construction of the Hesperia Animal Shelter Remodel Project.

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### RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute an increase to the contract with Abboud Diamond Construction, Inc. in the amount of \$20,000, with a new not-to-exceed amount of \$791,158.30 to complete construction of the Hesperia Animal Shelter Remodel project.

### BACKGROUND

On May 10, 2018, Engineering Staff issued a "Public Notice Inviting Bids" for construction of the Hesperia Animal Shelter Remodel project. Bids were opened and publicly read on June 14, 2018 from four (4) participating bidders with Abboud Diamond Construction, Inc. being the lowest responsive and responsible bidder.

The original contract was awarded by City Council to Abboud Diamond Construction, Inc. on July 17, 2018 in the amount of \$701,053.00 with a 10% contingency of \$70,105.30 for a total contract amount of \$771,158.30; however, the 10% contingency for this project was insufficient in covering the many issues that surfaced during construction. The current facility is aging and has experienced significant wall damage due to the extensive amount of water that is used daily to clean floors and kennels. The existing flooring was permeable and cracked allowing water to enter the floor and walls. Further, the design of the building does not follow typical architectural standards. Consequently, walls were removed that were deemed non-loadbearing walls in the construction plans however these walls, due to the prior construction, were inadvertently loadbearing which generated costs to mitigate this issue.

Furthermore, in order to avoid further deterioration of the baseboards, walls, and flooring due to continual exposure to water, a change was approved to install a flooring system that is typically used in animal shelters. This flooring system added \$25,000 to the contract amount; however, after examining the existing water damage, it was determined the extra costs associated with this change would prevent more expensive and extensive repairs in the future as well as provide Staff with a safer and more sanitary flooring system.

## **ISSUES/ANALYSIS**

The original contract was approved in July of 2018 for a total of \$771,158.30 including a 10% contingency; however, the challenges that accompany remodeling an aging facility created change orders that exceeded the 10% contingency by \$10,000. The approval of this change order and the amendment to the contract will increase the total contract amount to \$791,158.30 from the original approved amount of \$771,158.30. An increase to the contract agreement is necessary to make all necessary repairs and install features that will provide a safe, sanitary, and functional animal shelter for Staff and the shelter animals.

## **FISCAL IMPACT**

Funding for the additional \$20,000 to cover all change orders shall be transferred from the General Fund.

## **ALTERNATIVE(S)**

Provide alternative direction to Staff.

## **ATTACHMENT(S)**

None