



STAFF REPORT

TO: MAYOR AND COUNCIL MEMBERS **DATE: FEBRUARY 27, 2024**
FROM: PUBLIC WORKS **DISTRICT(S): CITYWIDE**
SUBJECT: AWARD THE AGREEMENT TO HORIZONS CONSTRUCTION CO. INT'L, INC. FOR ABATEMENT AND DEMOLITION AT THE CITY-OWNED PROPERTY AT 1762 DALE RD. IN THE AMOUNT OF \$1,289,373.94

RECOMMENDATION

That the City Council:

1. Adopt a Categorical Exemption pursuant to Section 15532 of the California Environmental Quality Act (CEQA) Guidelines;
2. Award the Agreement to Horizons Construction Co. Int'l, Inc. for Abatement and Demolition at the City-Owned Property at 1762 Dale Rd. in the Amount of \$1,289,373.94;
3. Authorize the City Manager or his designee to execute the agreement including minimal and/or non-substantive changes; and
4. Authorize the Public Works Director to execute any necessary change orders in an amount not to exceed 10% of the original contract amount; and
5. Authorize the supplemental appropriations in the Capital Projects Fund 301 in the amount of \$500,000 and Housing Authority Fund 229 in the amount of \$300,000.

STRATEGIC FOCUS AREAS

- Goal 1: Implement Strategic Economic Development (ISED)
- Goal 6: Implement Strategic Homelessness Solutions (ISHS)
- Goal 7: Enhance Community Engagement and Presence (ECEP)

EXECUTIVE SUMMARY

The City acquired the property at Dale Road in July 2023 with plans to prepare the location for the development of housing options for varying income levels. Included in the preparation will be demolishing all on-site structures and abating related hazardous asbestos and lead containing materials. In order to streamline the process and help prevent the vacated structures at this site from becoming a public nuisance, staff procured a proposal from Horizons Construction Co. Int'l, Inc. (Horizons) under their Sourcewell purchasing cooperative contract for general contracting services, including demolition.

After negotiating with Horizons and refining the scope of the proposal, staff recommends adopting a Categorical Exemption pursuant to Section 15532 of the California Environmental Quality Act (CEQA) Guidelines, awarding the agreement to Horizons for abatement and demolition at the City-owned property at 1762 Dale Rd. in the amount of \$1,289,373.94, authorizing the City Manager or his designee to execute the agreement including minimal and/or non-substantive changes, and authorizing the Public Works Director to execute any necessary change orders in an amount not to exceed 10% of the original contract amount.

LEGISLATIVE HISTORY / PREVIOUS ACTIONS

The City Council approved a Purchase and Sale Agreement for acquisition of 1762 Dale Road in the amount of \$4,725,000 on April 25, 2023. Escrow closed on July 31, 2023.

Per California Government Code §6502 regarding Joint Powers Agreements, “if authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties, including, but not limited to, the authority to levy a fee, assessment, or tax, even though one or more of the contracting agencies may be located outside this state.”

Per GMC Section 2.40.090(c)(6), competitive procurement through the informal and formal procurement processes shall not be required when cooperative purchasing is available and undertaken or when goods can be obtained through federal, state, and/or other public entity pricing contracts or price agreements.

Sourcwell, formerly known as National Joint Powers Alliance (NJPA), is a government agency service cooperative available to all education and government entities, as well as non-public schools and non-profit organizations. As a participating agency of Sourcwell (Member ID#94382), Glendora can legally utilize Sourcwell’s competitively bid cooperative purchasing agreements. Sourcwell conducted an invitation for bids to award various Indefinite Delivery-Indefinite Quantity (IDIQ) Construction Contracts in the State of California, with bids due not later than December 30, 2021. Horizons was awarded agreement #CA-R8-GB01-123021-HCC for general building, including demolition, with in California Region 8, which includes Los Angeles, Orange, Riverside and San Bernardino Counties. The contract’s initial term was through January 31, 2023, it was most recently extended through January 31, 2025, and its ultimate maturity date is January 31, 2026.

Sourcwell engages with The Gordian Group, Inc. (Gordian) to provide management of its IDIQ construction program, but participating entities access Sourcwell IDIQ contracts resulting from the invitation for bids through relevant purchasing authority and work directly with contractors awarded through the IFB.

DISCUSSION

The City acquired the property at Dale Road in July 2023 with plans to prepare the location for the development of housing options for varying income levels. Included in the preparation will be demolishing all 14 on-site structures and abating related hazardous asbestos and lead containing materials. As part of this, it was necessary to first conduct sampling and procure lead and asbestos materials reports. Public Works staff utilized Converse Consultants for this as one of its on-call consultants for hazardous material testing and monitoring.

Eleven of the 14 structures on site were found to contain various levels of asbestos containing materials in various locations.

Interior Material Asbestos Sampling	Exterior Material Sampling
Drywall/joint compound and plaster	Stucco and vapor barrier paper
Vinyl floor tiles and mastics	Window putty
Linoleum and mastic	Caulking, plaster
Ceramic tile grout and underlayment	Roof core and mastic
Spray-on acoustic ceiling material	Concrete debris, foundations
Vapor barrier paper	Ceramic tile grout and underlayment
“Wonderboard” or cementitious material	Mortar
Thermal system insulation and heat shield	Transite pipes (assumed positive)

All 14 structures were found to contain various levels of lead containing materials in various locations.

Interior Material Lead Sampling	Exterior Material Lead Sampling
Walls and ceilings	Walls
Sinks, toilets, bath tubs and showers	Vents, pipes and downspouts
Windows and associated components	Windows and associated components
Doors and associated components	Doors and associated components

Ceramic tiles	Ceramic tiles
Cabinets and shelves	Fencing
	Parking lot striping

Once the reports were finalized, staff contacted Gordian inquiring about procuring a proposal for the abatement and demolition through the Sourcewell IDIQ program. The IDIQ program provides significant advantages with regard to procurement process efficiency, helping prevent the vacated structures at this site from becoming a public nuisance due to administrative delays. Gordian then coordinated a site visit with Horizons and City staff, and after the site visit and providing Horizons the lead and asbestos reports, Horizons’ original proposal was for \$1,414,767.45. City staff then reviewed the proposal and refined the scope with Horizons to best meet the City’s needs, and after negotiations, received the current final proposal for \$1,289,373.94. Included will be abatement and removal of all hazardous materials, demolition of all structures, and clearing and rough grading of the site. Where necessary, the City will utilize its tree contractor West Coast Arborists to remove or prune trees. At this time it is anticipated that all existing native oak trees on site will be protected in place other than one located in the center of the front drive which has significant amounts of existing decay and an inherently poor structure.

Horizons is based out of Orange, CA and the City has contracted with them for a variety of projects in the past both through their Sourcewell IDIQ contract as well as the City’s own procurement processes. They have consistently delivered excellent work on-time and within budget. Staff recommends adopting a Categorical Exemption pursuant to Section 15532 of the California Environmental Quality Act (CEQA) Guidelines, awarding the agreement to Horizons for abatement and demolition at the City-owned property at 1762 Dale Rd. in the amount of \$1,289,373.94, authorizing the City Manager or his designee to execute the agreement including minimal and/or non-substantive changes, and authorizing the Public Works Director to execute any necessary change orders in an amount not to exceed 10% of the original contract amount.

FISCAL IMPACT

The abatement and demolition of the property will be funded through the Capital Projects Fund 301 and Housing Authority Fund 229 in the total amount of \$1.3 Million. The Capital Projects Fund has existing budget in the amount of \$500,000 for this project. The remaining \$800,000 is requested as supplemental appropriations from available resources in the Capital Projects and Housing Authority Funds in the respective amounts of \$500,000 and \$300,000.

ENVIRONMENTAL DETERMINATION

A notice of exemption has been prepared (Attachment A) for this project pursuant to 15532 of the CEQA Guidelines.

Prepared By	Michael Sledd, Assistant Public Works Director
Concurs With	Not Applicable
Reviewed By	William Wittkopf, Public Works Director
Certified to Availability of Funds	Kyle Johnson, Finance Director/City Treasurer
Approved By	Adam Raymond, City Manager
Legal Review	Danny Aleshire, City Attorney
CEQA Review	Not Applicable

ATTACHMENTS:

- A. Notice of Exemption
- B. Sourcewell Contract
- C. Sourcewell Contract Extension
- D. Proposal
- E. Presentation