



Agenda Submittal

Agenda #: 9 **Status:** Approved
Type: Contract **Department:** General Services
File #: 19-195 **Contact:** Dave Daly, 784-7900
Agenda date: 3/12/2019 **Final action:** 3/12/2019
Title: Approve an agreement with Z Squared Construction, Inc., El Dorado Hills, for \$1,086,000 to construct the Nut Tree Airport Hangar A Offices and Administration Building Renovation Project; Approve an additional appropriation of \$511,966 (4/5 vote required) for the FY2018/19 Airport Project Budget 9016 to be funded by Project financing; and Authorize the County Administrator or designee to execute the agreement and any amendments within the approved project budget
Governing body: Board of Supervisors
District: District 4
Attachments: 1. A - Contract, 2. B - Summary of Project Costs & Funding Sources, 3. C - Project Financial Pro-Forma, 4. D - Bidders of Record, 5. E - Project Location, 6. Executed Contract, 7. Minute Order

Date	Ver.	Action By	Action	Result
3/12/2019	1	Board of Supervisors	Approved	

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends that the Board take the following actions:

1. Approve an agreement with Z Squared Construction, Inc., El Dorado Hills, for \$1,086,000 to construct the Nut Tree Airport Hangar A Offices and Administration Building Renovation Project;
2. Approve an additional appropriation of \$511,966 (4/5 vote required) for the FY2018/19 Airport Project Budget 9016 to be funded by Project financing; and
3. Authorize the County Administrator or designee to execute the agreement and any amendments within the approved project budget.

SUMMARY:

The Department of General Services is recommending that the Board approve an agreement (Attachment A) for \$1,086,000 with Z Squared Construction as the lowest responsible bidder for the Nut Tree Airport Hangar A Offices and Administration Building Renovation Project (Project) located at 301 County Airport Road in Vacaville.

The Project involves renovation of key elements of the Airport Administration Building to extend the useful life of the facility; and remodeling substandard vacant aeronautical offices allowing expansion of flight school training and business operation space. The Project is one of the implementing actions of the Nut Tree Airport Business Plan (ABP) with the objective of expanding aeronautical commercial operating spaces for the purpose of business growth, airport economic development and to improve long-term airport operating revenue. The Project represents an economic development investment into the Airport.

FINANCIAL IMPACT:

The Board repurposed General Fund loan proceeds for the Airport from the sale of property to Icon Aircraft during budget actions for FY2017/18 and FY2018/19. The repurposed funds are to be used for economic development involving new County rental hangars and to complete Airport office remodel projects to extend facility useful life and accommodate aeronautical business growth. The new County hangar project is under way and completion is on schedule for March 2019.

Attachment B to this report provides a Summary of Project Cost and Funding Sources for the project (Budget Unit 9016). The total Project cost including planning, design and construction, during FY2017/18 and FY018/19, is \$1,326,376. Project funding sources include \$483,798 from repurposed General Fund loan proceeds; financing of \$759,924 from the State of California Department of Transportation (Caltrans) Aeronautics Local Airport Loan Program; and \$82,654 from the Airport Fund.

Staff is requesting that the Board approve an additional appropriation for \$511,966 to construct the Project to be financed through the Caltrans airport loan program. The need for additional appropriation is a result of the construction bid process, the current high demand for construction services, and the varied types of improvements involved with the Project.

Following completion of the office renovation Project rental income will be sufficient to fund Project financing. The Airport has received commitments and non-refundable deposits on new rental office spaces from Wings Flight School for its business expansion. The annual loan payment on Project financing will be \$58,992. New and refurbished spaces will generate a total of \$94,776 in annual rental income. Attachment C provides a Project Financial Pro-Forma showing rental revenue and loan payments on the Project and for the new County hangar project noted above. The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

DISCUSSION:

Solicitation of construction bids by the County occurred in the open market place in September and October 2018. In addition to the use of internet bidding sites utilized by contractors, notices were also published in local newspapers. Four bids were received; however, all bids were rejected due to high costs and technical discrepancies. A second solicitation for Project bids was conducted by the County during November and December 2018 and three bids were received. Bid costs also decreased as a result. Following verification of bid documents, licensing and registrations, and background references, the County determined Z Squared Construction as the low responsive bidder on the Project. A Summary of Project Bids is provided in Attachment D. Staff is recommending that Z Squared Construction be awarded the contract to construct the Project.

Project improvements involve renovation of 6,200 square feet of building space contained within two adjacent County buildings. Key elements of the renovation work will include the remodeling of six public restrooms, public lobby areas, and flight planning and meeting spaces. Key improvements will also comply with the American Disabilities Act, installation of building fire alarm systems, new and upgraded mechanical equipment and heating and cooling control systems. A reroof of the Airport Administration Building, and upgrades for building and fire code and energy efficiency compliance will be completed. New flooring, ceiling systems and lighting, and building security and safety components for the public and business operators will also be upgraded. The Project is scheduled for completion by approximately August 1, 2019. The Project Location is attached and the floor plans are on file with the Clerk of the Board.

ALTERNATIVES:

1. The Board could choose not to award the Project contract. This action is not recommended as the

Project is critical for allowing expansion of flight school training services and operations and the Project will advance economic growth at the airport.

2. The Board could elect to not delegate signing authority to staff. This action is not recommended since delegated authority will enable efficient administration of the Project contracts.

OTHER AGENCY INVOLVEMENT:

The Nut Tree Airport Advisory Committee reviewed and discussed the Project during the Committee's July and October 2018 meetings and at its January 2019 meeting, and recommended that the Project be approved. Coordination has occurred with Caltrans Aeronautics regarding Project financing. Building plan review and permits have been processed through the County Building Division. County Counsel reviewed the recommended contract and assisted with the review of construction bid documents.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION