

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: JANUARY 28, 2020

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: 
AIDA HERCULES-DODARO, District Engineer


CATHERINE CERRI, General Manager

SUBJECT: APPROVE CONTRACT AMENDMENT NO. 2 FOR ADDITIONAL ARCHITECTURAL AND ENGINEERING SERVICES WITH SGH ARCHITECTS

A. RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Amendment No. 2 to the contract with SGH Architects ("SGH") for architectural and engineering services; and
2. Authorize the General Manager to execute the Amendment. A copy of Amendment No. 2 is included as Attachment 1.

B. REASON FOR RECOMMENDATION

The District needs a corporate yard and continuing with SGH is the most expeditious and lowest cost option. The original design has been approved by the County Planning Department and SGH is the architect of record. They established a rapport with County representatives during the approval process which resulted in approval in a relatively short period of time. Submittal of changes to the floor plan will only result in a single plan review at this point. SGH also assisted the District during the bid of the metal building and helped us negotiate the best price and down payment with our metal building contractor, CBC, and will work closely with them to achieve the value engineering required to bring the project closer to budget. To start with a new architect will cost the District more time and money.

SGH and the engineering subconsultants are deeply familiar with the Project, making plan revisions a smoother process due to the coordination between SGH and its project team. Furthermore, the second proposal provided for this project came in at \$699,935 for the same scope of work SGH proposed. Approving Amendment No. 2 to SGH's contract would be the most cost-effective choice to accomplish the goal to complete

the Project and move the two departments to their new location, and still be below the price of the second lowest proposal.

C. BACKGROUND INFORMATION

The District requested proposals for the design of a warehouse-type facility and corresponding site improvements (“Project”). SGH’s initial proposal was for a 12,000 SF metal building. After meeting with District staff and considering staff’s needs, the Project was revised to separate the workshop bays for the two departments to be housed there. The building area increased from 12,000 SF to 15,299 SF and the estimated project cost increased from \$3.5M to \$5.7M. The plans were then revised slightly to reduce the construction cost which resulted in an advertised engineer’s cost estimate of \$3.84M.

The plans and specifications were advertised for bids on October 7, 2019, and bids were opened on November 21, 2019. Five (5) bids were received with a range between \$5.2M and \$6.6M. Although some cost cutting revisions had been made to the Project prior to the bid, the bid prices were still very high, resulting in the rejection of all bids by the Board of Directors.

Since then, District staff and SGH have been working together to find a solution that will accomplish the goal of housing the Mechanical and Field Maintenance Departments and providing their critical needs while lowering the construction cost estimate. A revised floor plan and elevations are attached. In the new design, the building square footage will be reduced by minimizing the size of the training room and eliminating a bathroom and the map room. Also, the HVAC zones will be reduced from 11 to 6 and lower cost mechanical systems will be identified. Other revisions include a simplification of the exterior and elimination of the dormer windows, roof overhang, patio areas, exterior sheathing, carpeting, cranes and I-beams and vehicular lifts. In addition, the District will prepare a separate procurement bid for selected equipment like the generator set to eliminate the contractor’s markup. This new design will be bid out with more detail instead of issuing it as a lump sum bid.

With all of these changes, every component of the building will need to be redesigned including structural, electrical, mechanical and plumbing. The District has given SGH clear direction on the latest revisions so they can coordinate with the subconsultants who will provide the necessary revisions to all the components of the building and site improvements. It is anticipated that the savings in construction costs will be significantly higher than the cost of the redesign. SGH will also coordinate closely with the metal building contractor CBC who will charge a fee for the changes, but this new design will result in greater reductions to the cost of the building materials.

SGH’s Amendment No. 2 adjusts their contract price from \$341,795 to \$466,795.

Original Contract with SGH	\$ 266,795
Amendment No. 1 for redesign, cost analysis and bid alternates	\$ 75,000
Amendment No. 2 to redesign a reduced metal building footprint	\$ 125,000
Total	\$ 466,795

D. FISCAL INFORMATION

The cost associated with the approval of this contract amendment will be \$125,000. The funding for this amendment is provided by both Water Capital Improvement Fund 110 (\$1.05 million) and Wastewater Capital Improvement Fund 220 (\$1.95 million).

E. ATTACHMENTS

Attachment 1 – Proposed Redesigned Floor Plan and Elevations

Attachment 2 – Draft Contract Amendment No. 2

**SECOND AMENDMENT
TO PROFESSIONAL SERVICES CONTRACT WITH
SGH ARCHITECTS
FOR ARCHHITECTURAL AND ENGINEERING SERVICES**

THIS SECOND AMENDMENT TO THE CONTRACT is made and entered into this ____ day of _____ 2020, by and between LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT, a Public Agency, hereinafter referred to as DISTRICT, and SGH ARCHITECTS, hereinafter referred to as CONSULTANT.

RECITALS

A. The parties entered into that certain Contract, dated, November 21, 2018, for architectural and engineering services.

B. Pursuant to Section 3.5.14 of the Contract, the Contract may be amended only by written documents signed by both parties.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

TERM. The term of this Contract shall extend from the date this amendment is executed and terminated upon satisfactory completion of the required services.

COMPENSATION. Consultant shall receive compensation for all Services rendered under this Contract at the rates set forth in Exhibit "A" attached hereto and incorporated herein by reference up to an amount not to exceed \$125,000.

IN WITNESS WHEREOF, DISTRICT and CONSULTANT have caused this CONTRACT AMENDMENT to be duly executed on the day and year first above written.

LAKE ARROWHEAD COMMUNITY
SERVICES DISTRICT

Signed: _____
Catherine Cerri, General Manager

SGH ARCHITECTS

Signed: _____

EXHIBITS:

A. Proposal dated January 20, 2020



January 20, 2020

Ms. Aida Hercules-Dodaro, PE
District Engineer
Lake Arrowhead Community Facilities District
PO Box 700
Lake Arrowhead, CA 92352
ahercules@lakearrowheadcsd.com

Re: Proposal for Additional Architectural and Engineering Services
Lake Arrowhead Community Services District Corporate Yard

Dear Ms. Hercules-Dodaro,

SGH Architects is pleased to submit the following Proposal to provide Additional Architectural and Engineering Services for the above-referenced Project.

1.0 PROJECT DESCRIPTION

- 1.1 Develop Value Engineering (VE) Concepts.
- 1.2 Reconfigure and redesign for reduced program and scope.
- 1.3 Implement selected VE concepts into a new set of Construction Documents for bidding.
- 1.4 Coordinate the revisions and re-submit to County of San Bernardino for Planning Approval.

2.0 SCOPE OF SERVICES

- 2.1 Develop Value Engineering Concepts
 - 2.1.1 Develop alternative plans and elevations to incorporate LACSD selected VE items for review and approval.
 - 2.1.2 Assist with cost estimate preparation, utilizing recent bid values for this project, to arrive at a mutual understanding of the value of components to allow reasonable deductions in the scope of work, while achieving the goals of the District.
- 2.2 Reconfigure and Redesign
 - 2.2.1 Redesign the building floor plans, ceilings, elevations, mechanical/electrical systems and other details as required to incorporate all the selected VE concepts.
 - 2.2.2 Coordinate the work of the metal building manufacturer to align with the new building design.
 - 2.2.3 Make necessary design revisions to the site plan, including civil engineering, landscape and irrigation systems.

Ms. Aida Hercules-Dodaro
Lake Arrowhead Community Services District Corporate Yard
January 20, 2020

2.3 Construction Documents

- 2.3.1 Implement the Value Engineering Concept and redesigns into the development of a new set of Construction Documents, inclusive of architectural, structural, mechanical, electrical, plumbing, landscape and civil disciplines.
- 2.3.2 Submit Construction Documents to the County of San Bernardino for Building & Safety Plan Check.
- 2.3.3 Assist LACSD with re-bidding the Project.

2.4 Planning Approval

- 2.4.1 Prepare, compile and submit drawings and documents to the County of San Bernardino Planning Department for entitlement approval of reduced building scope.

3.0 ASSUMPTIONS/EXCLUSIONS

- 3.1 All requirements of the executed agreement dated November 21, 2018 remains in effect.
- 3.2 Development of only one (1) comprehensive bid package.

4.0 PROPOSED FEE

- 4.1 SGH Architects proposes to provide the additional services in accordance with the Scope of Services outlined within **Section 2.0** above for a fixed fee of **One-Hundred Twenty Five Thousand Dollars (\$125,000)**, increasing the Contract amount to a total of **Four-Hundred Sixty-Six Thousand Seven Hundred Ninety-Five Dollars (\$466,795)**.

We look forward to working with you and the LACSD Team on this Project. If you should have any questions, please do not hesitate to give me a call.

Sincerely,

SGH Architects, Inc.



Michael Stephens, AIA
Principal | Partner

Cc: Accounting, S. Griffith, D. Higginson, File