

MEMO

Discussion/Action
Item #: 7.e



Meeting Date: July 19, 2024

To: Board of Directors
From: Director of Engineering and Compliance, David Ramirez
Approved by: General Manager, Felipe Melchor

Subject: Authorize General Manager to approve up to \$450,000 in expenditure for the revised Scale House and Public Restroom Improvement Project.

RECOMMENDATION: That the Board authorizes the General Manager to approve up to \$450,000 in expenditures for the revised Scale House and Public Restroom Improvement Project by awarding multiple small trade specific public works construction contracts (each under the General Manager’s authorization limit of \$75,000) as managed by staff as the General Contractor for the project.

BACKGROUND

In July 2023, the Board rejected construction bids for the Scale House and Public Restroom Improvement Project due to significantly higher-than-expected costs. The lowest bid received was \$1,273,192, which was 41% over the projected construction budget of \$900,000. The original project renovation scope of work, designed in 2021-2022, included an 80 square foot expansion of the existing Scale House footprint, public restroom improvements, handicap ramp improvements, and overall building upgrades. This was intended to partially address increased operational demands, as average daily tonnage had grown from about 700 tons around 2007 to approximately 2,500 tons in 2021, with daily vehicle traffic increasing from around 200 to 800 vehicles.

DISCUSSION

Following the prior bid rejections, staff worked to redesign the project to optimize costs while still meeting operational needs and objectives. The revised project proposal incorporates the following key changes:

1. Project was redesigned within existing footprint (no addition): Staff has modified the design to work within the current building footprint by eliminating a small restroom inside the Scale House. This eliminated the need for footprint expansion and reduced construction complexity. The convenience restroom within the Scale House was useful at a time when there were fewer staff in the Scale House. With the additional service windows and increased staffing in recent years, ReGen can provide staff with the time to use the larger restrooms in the Administration Building.
2. Self-performed general contracting: With the recent hire of a Construction Project Manager, ReGen now has the in-house resource capacity to manage trade contractors

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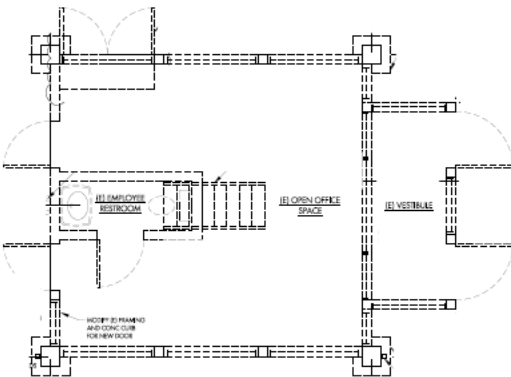
Let's not waste this.



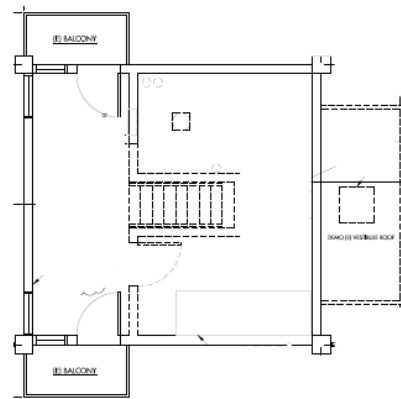
directly, eliminating the need for an external general contractor. To accomplish the planned improvements, staff proposes issuing several smaller trade specific public works contracts that are all anticipated to be less than the General Managers authorized signatory authority of \$75,000.

3. Increased in-house capabilities: The addition of a skilled maintenance technician to the ReGen team resources, as approved in the 2024/2025 budget, allows ReGen to self-perform some demolition and transition work between building trades, further reducing costs.

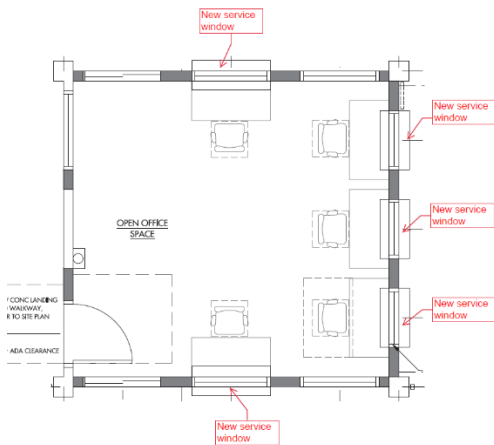
Below are some footprint schematics which show the existing / previous layout of the Scale House followed by the new proposed footprint.



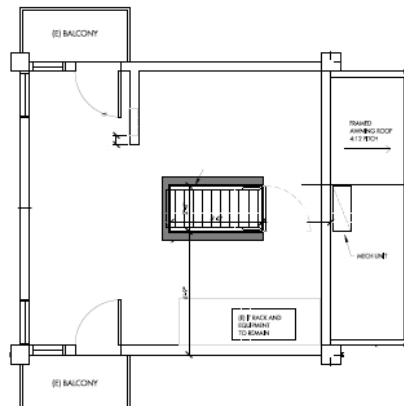
Existing First Floor Footprint



Existing Second Floor Footprint



New Proposed First Floor Footprint



New Proposed Second Floor Footprint

These changes to the project delivery 'plan' have resulted in significant cost savings while still addressing the primary goals of the project, including improved workspace for scale attendants, enhanced public restroom facilities, and necessary ADA improvements.



FINANCIAL IMPACT

The revised project proposal requests authorization for \$450,000 of expenditures, a substantial reduction from the lowest bid of \$1,273,192 received in June 2023. This represents savings of approximately 64% compared to that bid.

The \$450,000 expenditure estimate should cover all necessary improvements, including:

- Reconfiguration of the existing Scale House interior
- Public restroom upgrades
- ADA compliance improvements
- Building finishes upgrades (paint, floors, etc.)
- Any required temporary facilities during construction

There is \$500,000 allocated in the fiscal year budget for 2024/2025 for this project. The current expenditure estimate of \$450,000 fits within that budgeted amount. The remaining funding would be available to cover any remaining contingency items daylighted during construction.

CONCLUSION

The Scale House remains an essential part of ReGen Monterey's recycling and disposal operations. The proposed improvements will address the increased operational demands and provide a more efficient workspace for our staff. The redesigned project offers substantial cost savings while still meeting the key objectives for ReGen.

Staff recommends that the Board authorizes the General Manager to proceed with up to \$450,000 of expenditures for the revised Scale House and Public Restroom Improvement Project and execute several small trade specific public works construction contracts (under the General Manager's authorization amount of \$75,000) to accomplish the project construction.