



DATE: May 20, 2024

TO: Mayor and Members of the City Council

VIA: Stefan Chatwin, City Manager  
Marlene Subhashini, Assistant City Manager

FROM: Derek Schweigart, Parks and Recreation Director  
Justin Lai, Senior Civil Engineer

SUBJECT: AWARD OF CONSTRUCTION CONTRACT TO MCGRATH  
RENTCORP DBA MOBILE MODULAR MANAGEMENT  
CORPORATION FOR THE CONSTRUCTION OF THE  
RECREATION CENTER MODULAR BUILDINGS PROJECT (CIP  
301-678)

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## RECOMMENDATION

It is recommended that the City Council adopt the attached resolution authorizing:

1. The Mayor to execute an agreement with McGrath RentCorp DBA Mobile Modular Management Corporation in the amount of \$363,415.94 for the construction of the Recreation Center Rebuild Modular Buildings Project (CIP 301-678); and
2. The establishment of a contingency in the amount of \$20,000 with authorization given to the City Manager or his designee, to execute contract change orders up to the contingency amount.

## EXECUTIVE SUMMARY

The Recreation Center Rebuild Project (Project) consists of replacing the existing Recreation Center with a new building. Modular buildings will be utilized to fill the gap for programs while the Recreation Center is under construction. Staff are recommending leasing three (3) modular classroom buildings and a restroom trailer that will be placed on or near the tennis courts at Leo J. Ryan Park.

The City issued a call for bids with a bid opening on March 14, 2024, but only received one qualifying bid that was over the engineer's estimate. Staff requested rejecting all bids and reissued the call for bids to get more contractors with competitive pricing. The project was rebid, and McGrath RentCorp DBA Mobile Modular Management Corporation (Mobile Modular) was the responsive low bidder with a bid of \$363,415.94.

There is \$55,374,250 in the approved Project budget for construction, which is likely to increase for the final construction. A budget line item estimate for the modular buildings was taken into account as part of the overall budget estimate for the project. If awarded, the modulares will be in place beginning in August 2024 and leased for approximately 22 months during the Project's construction.

## BACKGROUND/ANALYSIS

At the regular City Council meeting on November 6, 2023, staff provided a report and presentation to the City Council on the temporary facilities and operations plan during the Recreation Center closure which is anticipated to start in September 2024. Staff received confirmation to move programs to The Vibe Teen Center, Community Center, and school multipurpose rooms (MPR) through the Joint Use Agreement with the San Mateo-Foster City School District during the anticipated two-year construction period. The City Council, by Minute Order No. 1946 also authorized the rental and installation of three (3) modular buildings and one (1) restroom trailer on or near the tennis courts at Leo J. Ryan Park. These temporary facilities aim to fill the gap and provide alternative spaces for recreational activities during the transition period.

The scope of work includes but is not limited to delivering, leveling, installing, and removing the temporary modular structures. Along with the structures, the buildings must be furnished properly and installed with the appropriate Americans with Disabilities Act (ADA) requirements. The installation of the temporary modular structures is subject to architectural review and staff are working on the Architectural Review Permit.

At the regular City Council meeting on February 20, 2024, the City Council adopted Resolution No. 2024-7 approving the plans and specifications and authorizing the call for bids for the Recreation Center Modular Buildings as part of the Recreation Center Rebuild Project. Bids were opened on March 14, 2024, at 2:00 PM. Only one responsive bid was received, and it was over the engineer's estimate.

At the regular City Council meeting on April 1, 2024, the City Council adopted Resolution No. 2024-24, which rejected all bids and approved the plans and specifications and authorized a new call for bids for the Recreation Center Modular Buildings as part of the Recreation Center Rebuild Project. Bids were reopened on April 25, 2024, at 2:00 PM.

There is \$55,374,250 available in the Project budget for construction, which is likely to increase for the final construction. A line item for modular buildings has been tracked throughout the project for \$405,000 and will be updated with the final cost once the contract is completed. After awarding the construction contract and before the start of

construction, the contractor shall provide all their necessary paperwork and meet with the City for a preconstruction meeting. Construction of the modular buildings is anticipated to take approximately 40 days with the rental lasting for 22 months.

The bid results are as follows:

Company Name	Total Base Bid	Difference from Engineer's Estimate	
		\$	%
Mobile Modular Management Corp	\$ 363,415.94	(\$41,584.06)	(10.27%)

The lowest bidder, Mobile Modular, has met all the bid requirements, and their contractor license is current and active according to the Contractors State License Board (CSLB). While there was only one bid received, their bid came in under the engineer's estimate.

Construction is anticipated to start in July 2024 and be completed in August. These dates were selected to be the least disruptive to summer programs while being in line with the Recreation Center Rebuild Project construction timeline. Project management, inspections, construction support, and field coordination will be done by City staff and the construction manager consultant, Griffin Structures, Inc.

## CALIFORNIA ENVIRONMENTAL QUALITY ACT

In July 2023, the City of Foster City, in accordance with the requirements of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines adopted by the Secretary of Resources, and the City of Foster City Environmental Review Guidelines, prepared an Initial Study and Mitigated Negative Declaration (SCH # 20231009) with Standards Conditions and Mitigation Monitoring and Reporting Program (SCAMMRP), and CEQA Findings (IS/MND) for the Recreation Center Rebuild Project.

On November 16, 2023, the City Planning Commission adopted the IS/MND and approved the Use Permit for the Project. Pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15164(b), the City prepared an Addendum to the adopted Mitigated Negative Declaration for Council's consideration and approval. Only minor additions are being made to the Project by installing and removing three (3) modular classroom buildings and a restroom trailer on or near the existing tennis courts at Leo Ryan Park for the anticipated 22 months of construction. Additionally, none of the conditions described in CEQA Guidelines section 15162 are met as there are no substantial changes to the Project or new information of substantial importance.

On February 20, 2024, the CEQA addendum was adopted to the IS/MND for the Recreation Center Rebuild Project.

## FISCAL IMPACT

The Project (CIP 301-678) has an approved budget of \$55,374,250 and it is anticipated that additional funding will be needed based on the current budget estimates for the Project. A line item for modular buildings has been tracked throughout the project for \$405,000 and will be updated with the final cost once the contract is completed. An updated Project budget estimate will be presented to City Council when the City Council approves the Project plans and specifications and authorizes a request for construction bids. The final Project budget will be determined when a general contractor agreement has been awarded for the Project.

## CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREAS

Facilities and Infrastructure

### ATTACHMENTS:

Attachment 1 – Resolution

Attachment 2 – Construction Agreement

Attachment 3 – Mobile Modular Management Corporation Bid Submittal