



# CITY OF LONG BEACH

# R-17

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3<sup>rd</sup> Floor, Long Beach, CA 90802 (562) 570-5237

April 15, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute an agreement with Howard CDM, a Long Beach-based business for providing building rehabilitation services for a total amount not to exceed \$300,000 for a one-year period at the discretion of the City Manager; and

Increase appropriations in the General Fund (GP), in the Department of Development Services (DV), by \$300,000 from fund reserves. (District 8)

## DISCUSSION

City Council approval is requested to enter into an agreement with Howard CDM for providing building rehabilitation services. The EXPO Building, owned by the Successor Agency and located at 4321 Atlantic Avenue, serves as a valuable cultural resource to the Long Beach community. The Bixby Knolls Business Improvement Association occupies the building and provides onsite management services. This once vacant furniture warehouse has been transformed into a neighborhood community arts center providing various programs and services, such as youth theater productions, children's art and theater camps, art exhibits and space for community meetings. The activities held at the building bring many attendees to the area, supporting local shops and restaurants.

In January 2013, while the roof of the building was under repair, a heavy rain caused severe flood damage to the building. A water damage remediation firm was immediately retained to minimize the damage and remove the water-soaked materials.

In order to re-occupy the building, the tenant improvements needed to be rebuilt. One of the City of Long Beach's (City's) on-call architectural firms was retained to prepare construction drawings to restore the facility to its previous use. Howard CDM, a local construction company, was hired as the general contractor to obtain competitive bids for the project and supervise the construction of the tenant improvements. Howard CDM has a contract with the Successor Agency for as-needed construction services.

The City's insurance company is involved in the remediation and restoration of the building. However, only the construction directly attributable to the flood damage is covered by insurance.

Due to the age and deteriorated condition of the building, a number of code upgrades have been required by the Building & Safety Bureau in order to regain occupancy of the building. In addition, during the course of construction, a number of upgrades have been recommended by the architect, contractor, and/or the City's Planning and Building staff, in order to maximize the utility of the property and improve the long-term viability of the space as a cultural resource to the community.

A new agreement with Howard CDM is necessary, as the amount available under the existing contract with the Successor Agency is not sufficient to complete the project. In order to expedite completion of construction already under way, and to avoid delays due to State Department of Finance review, City Council authorization for a new agreement is being sought.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase, or otherwise, obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis, when authorized by a Resolution of the City Council.

The building remained vacant for nearly a year while the City worked with its and the roofing vendor's insurance companies, to recover funds in order to begin the construction work. Howard CDM began construction in late December 2013, and expects to complete the project by the end of April 2014. To stop construction at this time in order to open the process to other vendors, would not be cost efficient and would have a negative impact on the tenant. Given the need for continuity of services and a timely completion of construction activities, approval of the attached Resolution for an alternative procurement is requested.

This matter was reviewed by Deputy City Attorney Richard Anthony on March 26, 2014, and by Budget Management Officer Victoria Bell on March 27, 2014.

#### TIMING CONSIDERATIONS

City Council action on this matter is requested on April 15, 2014, in order to allow the timely completion of the construction and put this cultural resource back into use.

#### FISCAL IMPACT

The proposed contract amount is \$300,000. Funds are available for this contract in a General Fund reserve for Successor Agency expenses that are not on a Recognized Obligation Payment Schedule approved by the California State Department of Finance. In order to expend these funds, an appropriation increase is requested in the General Fund (GP) in the Development Services Department (DV) by \$300,000.

HONORABLE MAYOR AND CITY COUNCIL

April 15, 2014

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There is no long-term local job impact associated with this recommendation.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

AJB:LAF:SJ:bec  
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Attachment: Resolution

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AUTHORIZING THE CITY  
5 MANAGER TO EXECUTE A CONTRACT WITH HOWARD  
6 CDM, WITHOUT ADVERTISING FOR BIDS, FOR  
7 BUILDING REHABILITATION SERVICES IN AN AMOUNT  
8 NOT TO EXCEED \$300,000 FOR A ONE-YEAR PERIOD  
9

10 WHEREAS, the Expo building, owned by the Successor Agency and  
11 located at 4321 Atlantic Avenue, serves as a valuable cultural resource to the Long  
12 Beach Community; and

13 WHEREAS, in January 2013, while the roof was under repair, a heavy rain  
14 caused severe flood damage to the building; and

15 WHEREAS, in order to re-occupy the building, the tenant improvements  
16 needed to be rebuilt; and

17 WHEREAS, due to the age and deterioration of the building a number of  
18 code upgrades are required; and

19 WHEREAS, Howard CDM had a contract with the former Redevelopment  
20 Agency for as-needed construction services and was retained as the general contractor  
21 for this project; and

22 WHEREAS, in order to expedite the completion of the construction already  
23 under way and given the need for continuity of services a new contract with Howard CDM  
24 is necessary in order to complete the project; and

25 WHEREAS, as a result, no useful purpose would be served by advertising  
26 for bids since Howard CDM is the only Contractor able to complete this project in a timely  
27 and cost-effective manner, and to conduct a competitive procurement process would  
28 constitute an idle and useless act and an unnecessary expenditure of public funds;

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The City Manager of the City of Long Beach is hereby authorized to enter a contract, without advertising for bids, with Howard CDM for building rehabilitation services for a period of one (1) year in an amount not to exceed \$300,000.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2014 by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk