



FINANCE COMMITTEE AGENDA

Tuesday, April 25, 2017

8:30 AM

Executive Conference Room, Level Three
Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

MEMBERS: Council Member Christine Marick and Council Member Marty Simonoff
ALTERNATE: Mayor Cecilia Hupp

Materials related to an item on this agenda submitted to the Finance Committee after distribution of the agenda packet are available for public inspection in the third floor lobby of the Civic and Cultural Center at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

CALL TO ORDER / ROLL CALL

1. Matters from the Audience

CONSENT

2. Approval of Minutes of April 11, 2017 Meeting

Attachments

Minutes

3. Contract to Commercial Roofing Systems, Inc. for Civic & Cultural Center Roof Replacement, Phase 2, Project 7928 in the Amount of \$116,278.00

Attachments

Attachment A

Attachment B

DISCUSSION

4. Fiscal Year 2017-18 Refuse Rates - Informational (Cindy Russell)

NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.

Attachments**Memorandum**

5. Schedule Next Meeting: May 9, 2017

cc: Mayor Pro Tem Glenn Parker
Council Member Steven Vargas

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

City of Brea

FINANCE COMMITTEE COMMUNICATION

FROM: City Manager

DATE: 04/25/2017

SUBJECT: Approval of Minutes of April 11, 2017 Meeting

Attachments

Minutes



FINANCE COMMITTEE MINUTES

Tuesday, April 11, 2017

8:30 AM

Executive Conference Room, Level Three

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

ATTENDEES: Council Member Christine Marick, Council Member Marty Simonoff, David Crabtree, Tony Olmos, Cindy Russell, Bill Bowlus, Steve Kooyman, Ron Krause, Faith Madrazo, Lee Squire, Alicia Brenner and Alex Escobar.

OTHER ATTENDEES: Debbie Harper & Frank North (City Auditors from Lance, Soll & Lunghard)

1. Matters from the Audience – *None*

CONSENT

2. Approval of Minutes of March 28, 2017 – *Approved*
3. Annual Engineer's Report for Maintenance Districts #1, 2, 3, 4, 5, 6 and 7 – *Recommended for City Council approval.*
4. Purchase of Shade Structure from USA Shade and Fabric Structures and Authorize In-plant Inspections for Laurel Elementary Magnet School/Lagos de Moreno Park Upgrades in the amount of \$28,452.54 – *Recommended for City Council approval.*
5. All American Asphalt for Kraemer Boulevard and Lambert Road (Phase 3) Rehabilitation, Project 7318 in the amount of \$2,011,118 – *Recommended for City Council approval.*
6. Purchase of Pursuit Light Bars and Siren Amplifiers for Police Vehicles – *Recommended for City Council approval.*
7. Comprehensive Annual Financial Report for the City of Brea for Fiscal Year Ended June 30, 2016 – *Recommended for City Council to receive and file.*

DISCUSSION

8. Schedule Next Meeting: April 25, 2017

Meeting adjourned: 8:36 AM

cc: Mayor Cecilia Hupp
Mayor Pro Tem Glenn Parker
Council Member Steven Vargas

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: City Manager

DATE: 04/25/2017

SUBJECT: Contract to Commercial Roofing Systems, Inc. for Civic & Cultural Center Roof Replacement, Phase 2, Project 7928 in the Amount of \$116,278.00

RECOMMENDATION

1. Adopt Resolution to appropriate an additional \$85,000 from the Fixed Asset Replacement Fund, FARP (Fund 182) for Project Construction and Project Administration.
2. Receive bids, proceed with the award of an informal Contract to Commercial Roofing Systems, Inc. in the amount of \$116,278.00, and authorize Public Works Director or his designee to issue Contract Changes up to a “not to exceed” amount of 15% of the Contract.

BACKGROUND/DISCUSSION

The Civic and Cultural Center Roof Replacement Project 7928, (Project), was approved for construction as part of the Capital Improvement Program (CIP). The Project consists of repairing and replacing sections of the 37 year old existing roof system with City furnished roofing material to the existing Civic Center main building, Conference Center, and Curtis Theater buildings in accordance with the current building code requirement.

On October 13, 2015, staff received four (4) informal bids from the following contractors; Chapman Coast Roof Co., Inc., Letner Roofing Co., Best Contracting Services, Inc. and Commercial Roofing Systems, Inc. The low bid amount was \$250,436.00. Unfortunately, the low bid amount exceeded the informal bidding threshold allowed (\$175,000) and there were insufficient funds to fully fund the Project (remaining budget was \$218,000 for construction after the purchase of material). In an effort to minimize the impact of El Nino weather forecasted that year, staff decided to break the project into two phases. Phase 1 scope pertained to the re-roof of the Civic Center main building and Phase 2 included the re-roof of the Conference Center and Curtis Theater buildings. Given the timing and budget considerations, it was decided to re-bid Phase 1 first.

On November 02, 2015, six (6) informal bids were received for Phase I. The lowest responsive bidder was Chapman Coast Roof Co., Inc. with a bid of \$173,353.00. The informal contract was then awarded to Chapman Coast Roof Co., Inc. to complete the re-roofing of the Civic Center main building. Chapman Coast Roof Co., Inc. completed Phase 1 of the Project on February 12, 2016 with a final cost of \$173,994.83, including contract change orders amounting to less than a half of one percent. After completion of Phase 1, the remaining balance in the Project budget was approximately \$35,000. In April 2016, staff requested an additional \$75,000 for a revised budget of approximately \$110,000. The

additional \$75,000 for the Phase 2 Project budget was recommended by the consultant based on the previous bids received in October 2015 for the two remaining roofs.

On July 7, 2016, staff received five (5) informal bids for Phase 2 with the lowest bid in the amount of \$153,376.00 from Commercial Roofing Systems, Inc. In speaking to the contractors, the high bids were due to an enormous workload demand of the contractors in the roofing industry. As a result, after purchasing the roofing material directly from the roofing manufacture/supplier (The Garland Company, Inc.) for Phase 2, there was approximately \$69,000 remaining in the Project budget.

On April, 17, 2017, staff received five (5) in-formal bids for Project 7928 Phase 2 with the following results:

1.	Commercial Roofing, Inc.	\$116,278.00
2.	Western States Roofing, Inc.	\$128,935.40
3.	Chapman Coast Roof Co., Inc.	\$132,862.00
4.	Best Contracting Services, Inc.	\$156,300.00
5.	Tecta America, Inc.	\$187,000.00

The apparent lowest responsible bidder was Commercial Roofing Systems, Inc. of Arcadia, California in the total amount of \$116,278.00, which is under the informal bid threshold of \$175,000. However, the bid amount exceeds the remaining Project budget balance by approximately \$47,000 without a contingency. Therefore, an additional budget appropriation will be required in order to proceed with the contract award. The company has a valid contractor's license and has been in the construction business for 27 years. Commercial Roofing Systems, Inc. has been prequalified with The Garland Company, Inc., to use their product. If awarded, construction could begin in late May 2017, and take approximately two (2) months to complete or by August 2017.

SUMMARY/FISCAL IMPACT

The total approved budget for the Project is \$425,000 with funding coming from the Fixed Asset Replacement Program, FARP (Fund 182). The remaining budget amount is approximately \$69,000. Therefore, in order to award the contract to Commercial Roofing, Inc. (\$116,278), with a recommended 15% Contract Change Order contingency (\$17,442), and construction engineering support (\$20,058), staff is requesting City Council consider an additional \$85,000 from the FARP Fund (Fund 182). A Resolution appropriating the added funds from the FARP Fund (Fund 182) to the Project is attached for City Council consideration and approval (see Attachment 'B' for Resolution). Based on the available funds within Fund 182, there will be no General Fund impact from this action. The following table provides a breakdown of the construction and construction engineering budget with the requested additional funds:

Project Expenditure	Total
Phase 2 – Construction Contract	\$116,278
Contingency (15%)	\$17,442
Subtotal	\$133,720
Construction Engineering (15%)	\$20,058
Total Construction Cost	\$153,778
Remaining Budget	\$69,000
Budget Shortfall	\$84,778
Requested Funds	\$85,000

The Project will repair and replace sections of the Civic Center Main, Conference Center and Curtis Theater buildings. Due to budget constraints, this Project phased. Phase 1, the Civic Center Main Building Re-roof, was completed in February 2016. Phase 2 consists of the re-roofing of the Conference Center and Curtis Theater buildings. Five (5) bids for Phase 2 were received on April 17, 2017. The apparent lowest responsive bidder was Commercial Roofing Systems, Inc. in the amount of \$116,278.00, as depicted on page C-3 of their proposal (see Attachment “A” for Proposal).

As depicted in the budget summary, staff is requesting that City Council adopt a Resolution to appropriate an additional \$85,000 from FARP to fully fund Phase 2. In addition, staff is requesting that City Council consider proceeding with the informal bid award process with the Public Works Director awarding a Construction Contract to Commercial Roofing Systems, Inc in the amount of \$116,278.00. Additionally, staff is recommending City Council authorize the Public Works Director or his designee to issue Contract Change Orders up to a “not to exceed” amount of 15% of the Contract amount.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Raymond Contreras, Assistant Engineer

Concurrence: Steve Kooyman, P.E., City Engineer

Tony Olmos, P.E., Public Works Director

Attachments

Attachment A

Attachment B

BID FORM
CIVIC & CULTURAL CENTER ROOF REPLACEMENT – PHASE 2
PROJECT 7928

Bidder: Commercial Roofing Systems, Inc.

ITEM #	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL
1.	Civic Center Conference Center and Curtis Theater Building Roofing Improvements	1 LS		\$ 116,278. ⁰⁰

Total Schedule in words:

One hundred sixteen thousand two hundred seventy eight dollars

Total Schedule in figures: \$ 116,278.⁰⁰

1. Bidder declares that he or she has read and understands Item No. 12 of Instructions to Bidders. GH (Bidder Initial)
2. Bidder declares that he or she has read and reviewed the Asbestos Survey in Appendix D. GH (Bidder Initial)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA TO AMEND THE FISCAL YEAR 2016-17 OF THE CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROPRIATE ADDITIONAL FUNDS FROM THE FIXED ASSET REPLACEMENT PROGRAM FUND (182) TO THE CAPITAL IMPROVEMENT PROGRAM FUND (510) FOR PROJECT 7928, CIVIC AND CULTURAL CENTER ROOF REPLACEMENT

A. RECITALS:

(i) The City Council has determined that it is in the best interest of the City of Brea to appropriate funds from the Fixed Asset Replacement Program Fund (182), to the Capital Improvement Program Fund (510), for Project 7928 for the fiscal year 2016-17.

(ii) The Capital Improvement Program Budget, Resolution No. 2016-049, and subsequent amendments, did not appropriate funds for this unanticipated adjustment.

B. RESOLUTION:

NOW, THEREFORE, be it found, determined and resolved by the City Council of the City of Brea that Capital Improvement Program Budget, Resolution No. 2016-049, as heretofore amended, be further amended to:

1. Increase funding from the Fixed Asset Replacement Program Fund (182) to Capital Improvement Program Fund (510) for Project 7928, Civic and Cultural Center Roof Replacement, by \$85,000; and
2. Appropriate an additional \$85,000 to the Capital Improvement Program Fund (510) for Project 7928, Civic and Cultural Center Roof Replacement.

APPROVED AND ADOPTED this 2nd day of May, 2017.

Mayor

ATTEST: _____
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 2nd day of May, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

Dated: _____

City Clerk

City of Brea

FINANCE COMMITTEE COMMUNICATION

FROM: City Manager

DATE: 04/25/2017

SUBJECT: Fiscal Year 2017-18 Refuse Rates - Informational (Cindy Russell)

Attachments

Memorandum



CITY OF BREA

ADMINISTRATIVE SERVICES DEPARTMENT
PUBLIC WORKS DEPARTMENT

Memorandum

Date: April 25, 2017
To: Finance Committee
From: Cindy Russell, Administrative Services Director
Tony Olmos, Public Works Director
By: Faith Madrazo, Revenue & Budget Manager
Subject: **Refuse Rates for Fiscal Year 2017-18 – Informational**

The contractual relationship with Republic Services a.k.a. Brea Disposal (BDI) requires the Public Works Director to review and administratively modify the refuse rates effective July 1 each year. The refuse rate adjustments have traditionally been shared with the Finance Committee.

The agreement calls for a commitment to pass on 90% of the December Consumer Price Index (CPI). The December 2016 CPI index for the Los Angeles-Riverside-Orange County was 1.97% resulting in an application of a 1.77% increase to various components of the refuse rates.

The components of the refuse rate subject to the 1.77% increase are:

- Refuse Collection (also includes bulky item)
- Recycling Collection & Yard Waste Collection
- Yard Waste Processing & Transfer cost of refuse from Republic Services to landfill

The components of the refuse rate subject to payment based on actual tonnage disposed are:

- Gate fees (per ton) paid to County landfill
- Transfer cost (per ton) of disposed waste to landfill

Other components of the refuse rate are:

- Recycling Revenue Credit & Franchise Fee
- City Public Works Costs
- Fuel Pricing Index

REFUSE RATE COMPONENTS
REFUSE RATE CHANGES FOR FY 2017-18

	JULY 1ST RATE FY 2016-17	JULY 1ST RATE FY 2017-18	INCREASE (DECREASE) ROUNDED	% INCREASE (DECREASE)
<u>Residential</u>				
Refuse Collection	\$ 5.25	\$ 5.34	\$ 0.09	1.71%
Recycling Collection	4.54	4.62	0.08	1.76%
Yard Waste Collection	2.38	2.42	0.04	1.68%
Landfill Disposal				
Gate Fee	2.86	2.65	(0.21)	-7.34%
Transfer	1.30	1.21	(0.09)	-6.92%
Yard Waste				
Processing & Disposal	1.57	1.53	(0.04)	-2.55%
Fuel Price Index	0.34	0.53	0.19	55.88%
Rate Stabilization	-	-	-	0.00%
Sub-Total	18.24	18.30	0.06	0.33%
Less: Recycling Revenue Credit	(0.89)	(0.65)	0.24	-26.97%
Sub-Total	17.35	17.65	0.30	1.73%
Franchise Fee @ 10%	1.74	1.77	0.03	1.72%
Sub-Total	19.09	19.42	0.33	1.73%
Public Works	0.85	0.84	(0.01)	-1.18%
TOTAL	\$ 19.94	\$ 20.26	\$ 0.32	1.60%

Recycling Revenue Credit

Recycling revenue has significantly decreased over the past year as the resale value of aluminum, glass, paper and cardboard products has declined. The recycling credit to customers has decreased from \$0.89 to \$0.65 per month. This City adjusted credit is based upon a five year average (2012-2016).

Fuel Pricing Index

The Fuel Pricing Index component to the refuse rate is adjusted annually based on the cost of fuel and related products. The adjustment is based on the year to year change in the December U.S. Bureau of Labor Statistics Producer Price Index –Commodities #2 Diesel Fuel & Liquefied Natural Gas.

The cost of fuel from 2015 to 2016 increased. This results in a 55.88% increase or \$0.19 more per month in the residential rate.

Collection, Disposal, and Transfer Components

Black can refuse was 40.31 pounds last year and has slightly decreased to 36.82 pounds per can a week. This decrease in black can refuse decrease the processing and disposal costs to the customer and is reflected in the rate.

Yard waste decreased from 17.65 to 16.85 pounds per can a week.

Extra Black Can

There are 470 customers that currently receive an extra black can. The cost for the additional black can will decrease \$0.23 from \$9.98 to \$9.75 per month.

Overall Residential Rate Increase

The total amount of the rate increase effective July 1, 2017 is \$0.32 per month or (1.60%) from the current rate of \$19.94 to \$20.26.

Commercial Rate Increase

The commercial monthly rates effective July 1, 2017 for the average customer with a 3 yard bin with once a week pick-up is \$143.34 per month, an increase of \$2.84 per month or 2.02%. Overall commercial rate increases are adjusted based on changes in the consumer price index and similar components such as landfill gate fees and disposal costs.