

STAFF REPORT

City Council Business Item

DATE: August 5, 2024

TO: Honorable Mayor and Council Members

FROM: Mat Nyberg, Deputy City Engineer

SUBJECT: **Authorize the Interim City Manager to Execute a Construction Contract for the Monday Club Chimney Reconstruction Project and Approve Supplemental Budget Request.**

STAFF RECOMMENDATION:

Authorize the Interim City Manager to Execute a Construction Contract for the Monday Club Chimney Reconstruction Project with DCI Builders, and Approve Supplemental Budget Request in the amount of \$29,790.

EXECUTIVE SUMMARY:

During the December 2022 earthquake, the existing brick masonry chimney at the Fortuna Monday Club was damaged. The brick began to separate from the building, and to avoid a more catastrophic failure, staff proceeded to immediately obtain contractor assistance in demolishing the chimney to remove the safety hazard. In the months following, staff worked with the City's insurance Risk Pool, CIRA, to document the damage and make a formal claim for damages to the facility. In October of 2023 the City received a payment totaling \$56,717.59 for the damages to the Monday Club from the earthquake.

Following receipt of the insurance payment, the City contracted with Allen-Atelier Architects and Whitchurch Engineering to complete architectural design plans for the replacement of the chimney. Staff's goal in the design is to reconstruct the chimney to maintain the same historical character of the building, while reducing the overall weight of the structure. To achieve this goal, the selected project approach will be to construct a wooden chase structure in the same shape as the existing chimney, and then add a thin-brick façade which will provide the same look as full-brick construction. Additionally, the project will include the demolition and removal of the interior masonry surrounding the gas fireplace insert, as it is anticipated that the interior brick is structurally supported by the existing masonry structure (which is to be fully removed). The final design plans were completed in June of 2024, at which time the project was publicly bid.

The bid package was released and publicly advertised on June 20, 2024, and the bid opening was held on July 9th at 4pm at City Hall. The City received four bids, and as shown in the table below, DCI Builders provided the lowest quote to complete the repairs to the building.

Contractor	Bid Amount
DCI Builders	\$79,790.00
Sequoia Construction Specialties	\$85,887.00
Adams Commercial General Contracting	\$114,780.00
McKenny and Sons, Inc.	\$128,782.00

Staff have reviewed the bid proposal received by DCI builders and have confirmed that their bid was fully responsive. Additionally, DCI has completed a number of commercial building projects within the City, including the recent construction of the Fortuna Senior Center and Kreations Autobody therefore, they are more than qualified to perform this project at the Monday Club.

Staff propose to execute a contract with DCI Builders in the amount of their bid, \$79,790.00. Additionally, staff propose to include a construction contingency of \$10,000, which would cover any unforeseen circumstances which may be found as the remainder of the existing chimney is removed, and further information on previous framing/construction is more readily available. Lastly, staff anticipate the construction work to begin between September-November, which is when the contractors has indicated they should have availability.

FINANCIAL IMPACT:

As noted above, staff are proposing to execute a construction contract with DCI Builders for \$79,790. Including a \$10,000 construction contingency, the total proposed contract not to exceed value would be \$89,790. Budget for this project was included in the approved 2024-25 Fiscal Year Budget and Capital Improvement Program in the amount of \$60,000. At the time of budgeting, staff did not have quotes for the work, and therefore generally budgeted an amount that matched the insurance payment received by the City. With quotes received and a low-bid contractor selected, staff are requesting the Council approve a supplemental budget request of \$29,790 to fund completion of the work. The budget would come from the General Fund Reserve.

In addition to the total potential award amount (including contingency) noted above, the Council has authorized two previous budget requests for the project. These include a \$10,000 request for the design and architectural work for the chimney repair, and \$6,000 for additional interior lighting design and architectural concepts for the adjacent lot. Including these previous appropriations, the total budget summary for recent work at the Monday Club is shown in the table below.

Task	Consultant	Previously Approved Budget	Additional Amount Requested
Develop Chimney Repair Architectural Details	Allen-Atelier Architects and Whitchurch Engineering	\$10,000	\$0
Interior Modernization (great room only)	Allen-Atelier Architects	\$2,500	\$0
624 Main Conceptual Design	Undetermined	\$3,500	\$0
Monday Club Chimney Reconstruction	DCI Builders	\$60,000	\$29,790
Total Project Cost		\$105,790.00	
Insurance Payment Received		\$56,717.59	
Net Impact to General Fund Reserve		\$49,072.41	

RECOMMENDED COUNCIL ACTION:

1. Receive staff report and review Council questions with staff
2. Open Public Comments
3. Close Public Comments
4. Authorize the Interim City Manager to Execute a Construction Contract for the Monday Club Chimney Reconstruction Project with DCI Builders and Approve Supplemental Budget Request for \$29,790. Voice Vote.

ATTACHMENTS:

- Attachment A – Supplemental Budget Request