

RESOLUTION CC 2025-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, APPROVING A CONSTRUCTION CONTRACT CHANGE ORDER WITH PERERA CONSTRUCTION AND DESIGN, INC. FOR THE COMPLETION OF PUBLIC IMPROVEMENTS AT THE COVINA RECREATION VILLAGE AND APPROPRIATING \$4,179,776.36 FOR USE TOWARDS THE PROJECT

WHEREAS, the City of Covina City Council approved the Covina Recreation Village Project as part of the City's Fiscal Year 2023-24 Capital Improvement Program budget; and

WHEREAS, the City of Covina has been awarded nine (9) grants totaling \$20.5 million for the construction of the Covina Recreation Village Project, which will include an indoor gymnasium, library, public plaza, dog park, playground amenities and pedestrian connectivity elements with the Covina Metrolink Station and the City's Food, Arts, Industrial and Residential District via a pedestrian access bridge. External grant funds represent approximately seventy-five (75) percent of the total project cost and without these funds, the project would not be feasible for completion; and

WHEREAS, in December 2023, the Covina City Council approved a Project Labor Agreement ("PLA") with the Los Angeles/Orange County Building Trades for the construction of the Covina Recreation Village that requires the use of local, skilled labor resources for the completion of the Project; and

WHEREAS, on January 2024, following a publicly advertised bidding process, no construction bids were received for the completion of the Covina Recreation Village Project. Following this unsuccessful bid process, the project and bid package was re-advertised to interested general contractors; and

WHEREAS, on March 19, 2024, following a publicly advertised bidding process, the Covina City Council rejected the lowest responsive bid in the amount of \$29.756 million to complete the Covina Recreation Village Project. The bid amount was roughly thirty (30) percent above the architect's construction cost estimate to complete the project. Following the bid rejection, the City Council directed staff to revise the construction bid package and resolicit bids for construction of the Project; and

WHEREAS, a revised construction bid package was advertised for the Covina Recreation Village Project in May and June 2024. At a public bid opening on June 18, 2024, five (5) bids were received and it was determined that Perera Construction and Design Inc. was the lowest responsive and responsible bidder to complete the project in the amount of \$12.113 million. On July 16, 2024, the Covina Council awarded a contract to Perera Construction and Design Inc. to complete the improvements included in the bid package; and

WHEREAS, construction on the revised construction bid package is underway, with an estimated completion in winter 2026; and

WHEREAS, the City desires to complete other improvements, namely the construction of a public library, that was not included in the revised construction bid package awarded on July 16, 2024; and

WHEREAS, the City's grant agreements for the Covina Recreation Village require that the expenditure of funds be completed by December 31, 2025, to be eligible for reimbursement; and

WHEREAS, the City of Covina has negotiated a contract change order in the amount of \$9,276,796.36 with Perera Construction and Design Inc. utilizing the same unit prices included in the construction contract awarded on July 16, 2024 to complete other improvements, including the construction of a public library; and

WHEREAS, the City of Covina will realize significant savings in costs and time associated with utilizing the City's competitively bid contract with Perera Construction and Design, Inc. and if the City does not undertake its improvements now, it will risk the loss of external grant resources for the completion of improvements and is not certain if or when grant resources will become available for this purpose; and

WHEREAS, the Fiscal Year 2025 Operating Budget & Capital Improvement Plan (CIP) was approved on June 4, 2024; and

WHEREAS, the approved Operating Budget and Capital Improvement Plan (CIP) is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the City of Covina wishes to amend the 2024/2025 Capital Improvement Program Budget and appropriate an \$4,179,776.36 from various funding sources towards the completion of the Covina Recreation Village Project – Phase II – Library.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are incorporated herein.

SECTION 2. The City of Covina hereby authorizes a contract change order with Perera Construction and Design, Inc. for the completion of public improvements at the Covina Recreation Village, including a public library as is discussed in the agenda report accompanying this Resolution.

SECTION 3. The City Manager is hereby authorized to enter into a contract change order with Perera Construction and Design Inc. for completion of Phase II of the Covina Recreation Village Project, using competitively bid prices received on July 16, 2024 in accordance with Public Contracts Code Section 22030 and Covina Municipal Code Section 2.54. Such action is taken because obtaining new competitive proposals would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical or impossible as permitted in *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App. 3d 631, 636-637, 164 Cal.Rptr. 56. Perera Construction and Design Inc. is the only company available to perform work on the location at this time. Further, failure to use Perera Construction and Design Inc. will

significantly delay or prevent the City from utilizing grant resources to make its desired public improvements, will not result in cost savings and the City has already complied with the competitive bid process in its award of contract to Perera Construction and Design Inc. on July 16, 2024.

SECTION 4. Amend the Fiscal Year 2024/2025 Capital Improvement Program Budget and appropriate \$4,179,776.36 from various funding sources as follows:

Account No.	Account Description	Amount (\$)	Increase/Decrease
1095-0000-59140-P2202	Measure CC Transfer-Capital Projects Fund	\$3,072,226.36	Increase
46003900-48990-P2202	Parks CIP-Library Admin-Other Revenue-Covina Recreation Village Project	\$127,550	Increase
46003900-49110-P2202	Parks CIP-Library Admin-Transfer-GF-Covina Recreation Village Project	\$3,072,226.36	Increase
46003900-55100-P2202	Parks CIP-Library Admin-Buildings and Structures-Covina Recreation Village Project	\$3,199,776.36	Increase
28903900-55100-P2202	Public Education in Government-Library Admin-Buildings and Structures-Covina Recreation Village Project	\$599,000	Increase
46303900-55100-P2202	Kahler Russell Gymnasium Fund-Library Admin-Buildings and Structures-Covina Recreation Village Project	\$110,000	Increase
47023900-55100-P2202	Impact Fees-Library-Library Admin-Buildings	\$210,000	Increase

	and Structures-Covina Recreation Village Project		
29763900-55100-P2202	Borello Fund-Library Admin-Buildings and Structures-Covina Recreation Village Project	\$61,000	Increase

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 3rd day of June, 2025.

City of Covina, California

BY: _____
VICTOR LINARES, Mayor

ATTEST:

FABIAN VELEZ, Chief Deputy City Clerk

CERTIFICATION

I, Fabian Velez, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 2025-40 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 3rd day of June, 2025, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

FABIAN VELEZ, Chief Deputy City Clerk