



Agenda Item No: 1.e

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: September 16, 2025

Submitted by: Gabriel Guerrero-Gabany

From: Public Works

Subject:

Amendment No. 2 to Public Works Agreement with PCN3 Inc. for Construction Services Related to Phase II of the Public Safety Center Project

Financial Impact:

Fiscal Impact:

Expense: \$25,678 Amendment No. 2 for extra work related to Phase II Public Safety Center Project Construction

Available Budget: \$238,534.95 (101-90300-9100 Project:105213)

Summary:

On July 25, 2023, the City Council entered into a Public Works Agreement (PWA) with PCN3 Inc. (PCN3) for \$9,888,000 to construct Phase II of the Public Safety Center which includes construction of the main building where the new 911 emergency communications center will be housed along with a new shooting range, a new Emergency Operations Center (EOC)/training room along with associated offices, workspaces, restrooms and locker rooms. The contractor's scope of work is now complete with final information technology (IT) and furniture items remaining which are outside of the contractor's scope of work and is expected to be installed by the end of November 2025 with City Staff occupancy expected by the end of the year. The project team encountered multiple challenges during the course of construction including long lead times for materials, City stakeholder requests, phasing of a project that was originally designed as one complete build and changes to the construction management personnel. Staff recommends approval of Amendment No. 2 to the subject agreement to complete Phase II of the Public Safety Center Project. As a result of these changes, construction costs are expected to go beyond the not to exceed amount by \$25,678 or 0.26%, for a total construction cost of \$10,902,478. Amendment No. 1 was executed under the City Administrator's authority and consisted of extending the contract expiration date to September 23, 2025 to allow PCN3 to fully complete all remaining work on the project.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Approve Amendment No. 2 to a Public Works Agreement with PCN3 Inc. in the amount of \$25,678; and
2. Authorize the City Administrator and/or her designee to execute the necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:

This item conforms to Strategic Plan Goal 5, Implement Public Infrastructure to Meet Community Needs, and Objective 5.4, Construct the Placentia Public Safety Center.

Discussion:

On July 25, 2023, the City Council entered into a Public Works Agreement with PCN3 for \$9,888,000 to construct Phase II of the Public Safety Center which includes construction of the main building where the new 911 emergency communications center will be housed along with a new shooting range, a new EOC/training room along with associated offices, workspaces, restrooms and locker rooms.

The project was phased to allow the construction of the Butler Building to proceed first so that it could be completed prior to the expiration of the City's lease which had expired at the end of March 2024. The lease was extended for an additional two months. Phase 1 construction of the project included the demolition, grading, subsurface utility work, and the footings and slab for the Butler Building, along with the new building itself, and extensive interior tenant improvements. These improvements have now been completed, property and evidence has been moved in, and Staff currently operates out of the Butler Building.

The Phase II contractor's scope of work is now complete with final IT and furniture items remaining that are outside of the contractor's scope of work and is expected to be installed by the end of November with City staff occupancy expected by the end of the year.

The project team encountered multiple challenges during the course of construction. One of which includes long lead times for materials, the most significant of which was the delay in the manufacture and delivery of the switchboard which caused a 6-month delay. Additional City stakeholder requests from the Police Department, end users of the building, were reviewed and considered essential to the ultimate operation and functionality of the space and were included as extra work. Phasing of a project that was originally designed as one complete build led to gaps in each contractor's scopes of work. Since the Phase II work was the last phase, these items were addressed by this contractor, PCN3, which led to additional costs. Additionally, changes to the construction management personnel two-thirds of the way through the project further led to a lapse in familiarity with project history. While it's difficult to directly quantify a monetary cost because of this change, one can be assumed.

Staff recommends approval of Amendment No. 2 to the subject agreement to complete Phase II of the Public Safety Center. As a result of these changes, construction costs are expected to go beyond the not-to-exceed amount by \$25,678 or 0.26%, for a total construction cost of \$10,902,478. Amendment No. 1 was executed under the City Administrator's authority and consisted of extending the contract expiration date to September 23, 2025 to allow PCN3 to fully complete all remaining work on the project.

Fiscal Impact Summary:

The construction cost for the Public Safety Center Phase II project amounts to \$10,902,478. This includes the original contract amount of \$9,888,000 plus approved change orders within the allowable contingency amount of 10% of the contract amount, and an additional \$25,678 necessary to complete the project and occupy the building. A total \$238,534.95 is available within the project budget therefore sufficient funds exist for the recommended actions.

Attachments

Amendment 2 PWA-PCN3_signed.pdf
Executed Amendment No. 1 PCN3
Executed PWA-PCN3 on 7.25.2023.pdf