



Council Agenda Report

To: Mayor Riggins and the Honorable Members of the City Council

Prepared by: Julie Santa, Associate Engineer

Reviewed by: Tatiana Holden, Assistant Public Works Director/City Engineer

Approved by: Rob DuBoux, Interim City Manager

Date prepared: January 8, 2026 Meeting date: January 26, 2026

Subject: Rejection of Bids for the Malibu Community Labor Exchange Center Project

RECOMMENDED ACTION: 1) Reject all bids received for the Malibu Community Labor Exchange Center Project, Specification No. 2103; and 2) Provide direction to staff on how to proceed.

FISCAL IMPACT: Funding for this project is included in the Adopted Budget for FY 2025-26 in Account No. 310-9065-5100 (Malibu Community Labor Exchange Trailer).

Project Estimate		Project Funding*	
Design	\$195,885	General Fund CIP Designated Reserve	\$759,518
Construction	\$1,512,451	Community Development Block Grant (CDBG)	\$140,482
Contingency (18%)	\$272,241.18		
Total	\$1,980,577.18	Total	\$900,000

**Project Estimate amounts include Design costs that were spent over multiple fiscal years (\$173,385).

*Project Funding amounts were obtained by the Adopted Budget for FY2025-26.

The project funding included in the Adopted Budget for FY 2025-26 is \$900,000. The balance of design is \$22,500 and construction costs are \$1,784,692.18 leaving a shortfall of \$907,192.18. It is necessary to appropriate \$907,192.18 to this project from the General Fund Undesignated Reserve if this project moved forward.

Over multiple fiscal years, the City Council approved the City's annual allocation of federal CDBG capital funding to purchase and install a permanent office trailer for the Malibu Community Labor Exchange (MCLE). In May 2025, following recent natural disasters, the City requested and received a time extension from the Los Angeles County Development Authority to extend the deadline to complete the construction of the project to June 30, 2026.

STRATEGIC PLAN IMPLEMENTATION: This item supports the City's 2025-2028 Strategic Plan: Goal 7: Explore New Opportunities for Educational, Cultural, and Recreational Establishments.

DISCUSSION: This project includes the construction of a new office building to replace the existing trailer for the Malibu Community Labor Exchange (MCLE). MCLE is a local 501(c)3 non-profit organization that has operated in the City of Malibu for over 30 years. The primary function of MCLE is to provide an organized and safe place for people to hire and be hired for day labor.

This project includes constructing a new 719 square feet office building to house the MCLE Center. The location of the new office building is adjacent to its current site at the northwest corner of the institutionally zoned parcel containing the Santa Monica College Malibu Satellite Campus, Los Angeles County Waterworks, the public library and courthouse. The area dedicated to MCLE is 7,100 square feet.

The original plan was to provide a prefabricated modular building. During the CDP process, it became evident that a permanent foundation would be required, and the scope shifted to constructing a structure with a small bathroom to replace the current portable restroom. The site work includes a new trash enclosure, utility connections for sewer, electrical, potable water and recycled water, rolling gates, modest decorative landscaping, repaving and striping of the existing paved area. This project will include Americans with Disabilities Act (ADA) compliance. The existing trailer, portable restroom, and one overhead streetlight will be removed upon completion of the new center.

This project is the result of extensive discussions, planning, and design efforts over the several years including the recent City Council adoption of Resolution 25-60 approving the modified Floor Area Ratio on December 8, 2025, and Planning Commission approval of the Coastal Development Permit (CDP) No. 23-053 and Conditional Use Permit (CUP) No. 23-005 on September 15, 2025.

The project plans and specifications for the Malibu Labor Exchange Center Project were completed and advertised for construction bids in November 2025. On December 18, 2025, the City received seven (7) construction bids. The following is a summary of the construction bids:

<u>Contractor</u>	<u>Bid Amount</u>
Shiraz Construction	\$1,388,888
Amerivet Contracting	\$1,512,451
Monet Construction	\$1,572,959
SBS Corporation	\$1,653,437
Ardalan Construction	\$1,981,499
Waisman Construction	\$2,243,141
Green Building Corporation	\$3,400,601

The bid from Shiraz Construction was non-responsive by not acknowledging Addendum No. 2, therefore the apparent low bidder was Amerivet Contracting. Staff reviewed the bid from Amerivet Contracting and has determined the bid was in order and in conformance with the bid requirements. However, staff also reviewed the available budget for this project. The bid received from Amerivet Contracting exceeds the available budget by more than \$640,000.

Staff recommends that City Council reject all bids and provide direction to staff on how to proceed.

ALTERNATIVES:

City Council can direct staff to proceed with one of the following:

- Alternative Option 1
Reject bids and cancel the project. By rejecting all bids and cancelling the project, the City must return any CDBG funding used as part of the permanent trailer project since the project was not completed by June 30, 2026.
- Alternative Option 2
Reject bids and direct staff to re-design the project. There is no impact to the approved permits for this project if Council selects this option. However, staff will need to identify additional funding sources. CDBG funds already allocated for this project will not be eligible as they expire on June 30, 2026. If the City would like to use future CDBG funds, staff can follow the Los Angeles County Department Authority process including adopting a resolution.
- Alternative Option 3
A.) Reject Shiraz Construction bid deeming it non-responsive; B.) Authorize the Mayor to execute an agreement with Amerivet Contracting in the amount of \$1,512,451 for the construction of the Malibu Community Labor Exchange Center project, Specification No. 2103; C.) Authorize the Public Works Director to approve any potential change orders up to 18% D.) appropriate \$907,192.18 from the General Fund Undesignated Reserve.

If the City Council moves forward with this option, it will be bypassing Council Policy #44 that requires all proposed appropriations over \$10,000 to be reviewed and discussed by Administrative and Finance (A&F) Subcommittee prior to being presented to the City Council. The construction of this project must be completed no later than June 30, 2026, to be in compliance with CDBG guidelines. It is the opinion of staff that it is not possible to complete this project by the June 30th deadline.

ATTACHMENTS: None