

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 5, 2026

FROM

MOE YOUSIF, Interim Director, Project and Facilities Management Department

SUBJECT

Design-Build Agreement with Morillo Construction, Inc. for the 303 West 5th Street Design-Build Project

RECOMMENDATIONS

1. Find that the 303 West 5th Street Design-Build Project is exempt under the California Environmental Quality Act Guidelines, Section 15301, Class 1, Existing Facilities, which applies to minor alterations, repairs, or reuse of existing structures that result in negligible or no expansion of use and Section 15311, Class 11, Accessory Structures, which applies to the construction or placement of minor accessory structures, such as small parking lots, that are appurtenant to existing commercial, industrial, or institutional facilities.
 2. Approve a budget increase to Capital Improvement Program Project No. 25-076, in the amount of \$19,654,511, for the 303 West 5th Street Design-Build Project budget, increasing the total project's budget from \$1,000,000 to \$20,654,511.
 3. Approve the following addenda to the bid documents for the 303 West 5th Street Design-Build Project:
 - a. Addendum No. 1 dated October 14, 2025, which modified and changed bid documents and exhibits, changed and updated proposal schedules, revised the basis of design documents, added additional reference documents, and provided responses to proposer questions.
 - b. Addendum No. 2 dated November 17, 2025, which added geotechnical study sheets.
 4. Award Design Build Services **Agreement No. 26-331** to Morillo Construction, Inc., in the amount of \$15,530,000, which includes \$50,000 for the voluntary alternate No. 1 All Gender Restroom, as the design builder for the 303 West 5th Street Design-Build.
 5. Authorize the Project and Facilities Management Department to approve any necessary changes or additions in the work being performed under the Design-Build Services Agreement, for a total not to exceed \$210,000, pursuant to Public Contract Code Section 20142
 6. Direct the Project and Facilities Management Department to file the Notice of Exemption in accordance with the California Environmental Quality Act
 7. Authorize the Director of the Project and Facilities Management Department to accept the work when 100% complete and execute and file the Notice of Completion
 8. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments as detailed in the Financial Impact section (Four votes required).
- (Presenter: Moe Yousif, Interim Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

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Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will result in the use of Discretionary General Funding (Net County Cost). The proposed increase of \$19,654,511 for the 303 W. 5th Street Design Build Project will be funded from the Building Replacement Reserve. The Project was approved by the Board of Supervisors (Board) on August 20, 2024 (Item No. 54), with an initial allocation of \$1,000,000, with the understanding that the Project and the Project and Facilities Management Department would return to the Board with a request to increase appropriations to support full project delivery.

The following 2025-26 budget adjustments are necessary to fully fund the entire Project budget:

Fund Center	Commitment Item	Description	Action	Amount	WBSE
1000	37008263	Fund Balance Committed – Capital Project Building Replacement	Decrease	\$19,654,511	N/A
1161161000	55305030	Operating Transfers Out	Increase	\$19,654,511	N/A
7700003100	40909975	Operating Transfers In	Increase	\$19,654,511	10.10.1699
7700003100	54304030	Structures & Improvements to Structures	Increase	\$19,654,511	10.10.1699

The total Project budget of \$20,654,511 is comprised of the following components:

Description	Amount
Project Design & Engineering	\$ 2,394,000
Construction	\$14,096,000
Construction Contingency	\$ 1,414,600
Project Management, Inspection and Testing	\$ 1,089,392
Furniture, Fixtures and Equipment	\$ 1,660,519
Total	\$20,654,511

BACKGROUND INFORMATION

On July 25, 2023 (Item No. 55), the Board approved the acquisition of the building located at 303 West 5th Street in the City of San Bernardino. The building was acquired by the Real Estate Services Department to address the growing need for additional County office space. Currently unoccupied, the building requires several upgrades to be suitable for County use. Constructed in 1977, the property consists of a two-story, approximately 26,553-square-foot facility, located at the southwest corner of 5th Street and Arrowhead Avenue, and is intended to house the Community Development & Housing Department and the Office of Homeless Services (Departments).

The Project, delivered via a Design-Build (DB) procurement approach, where the same entity that designs it will also construct it, will include comprehensive upgrades to architectural,

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structural, mechanical/electrical/plumbing, technology, and security systems, as well as associated parking lot improvements. The facility will be renovated to reflect the Departments' mission of public service, emphasizing dignity, durability, and economy.

It is recommended the Board determine the Project to be categorically exempt from further review under Section 15301, Class 1, Existing Facilities of the California Environmental Quality Act (CEQA) Guidelines which applies to minor alterations, repairs, or reuse of existing structures that result in negligible or no expansion of use and Section 15311, Class 11, Accessory Structures, of the CEQA Guidelines which applies to the construction or placement of minor accessory structures, such as small parking lots, that are appurtenant to existing commercial, industrial, or institutional facilities.

PFMD recommends approval of the Design Build Agreement to Morillo Construction, Inc., the design build entity determined to provide the best value to the County for design and construction of the Project in San Bernardino.

PROCUREMENT

On August 20, 2024 (Item No. 54), the Board authorized Project and Facilities Management Department (PFMD) to utilize the DB project delivery method pursuant to Public Contract Code Section 22160 et. seq., for the delivery of the Project and approved the Pre-Qualification Package for prospective Design-Build Entities (DBE) to submit a Pre-Qualification Package. The purpose of the Pre-Qualification Package was to solicit preliminary information from interested DBEs in order to identify the three most qualified finalists.

On August 19, 2025 (Item No. 42), the Board authorized PFMD to release the Request for Proposal (RFP) Package to the three pre-qualified DBEs including Morillo Construction, Inc, Snyder Langston, LLC, and CDG Builders, Inc., as the second step of a two-step process to utilize the DB project delivery method for the design and construction of the facility. The RFP provided the pre-qualified DBEs with additional proposal bridging documents, project requirements and expectations, allowing them to submit a best and final proposal.

During the RFP process, PFMD issued Addendum No. 1, dated October 14, 2025, for the Project, which modified and changed bid documents and exhibits, changed and updated proposal schedules, revised the basis of design documents, added additional reference documents, and provided responses to proposer questions.

In addition, PFMD issued Addendum No. 2, dated November 14, 2025, for the Project, which added an additional Geotechnical study to the reference documents in the RFP.

On November 25, 2025, final RFP responses were received from the three pre-qualified DBEs. An evaluation committee consisting of representatives from PFMD conducted an evaluation to determine the selection of the successful DBE based on the proposal that provided the best value to the County. The successful firm, Morillo Construction, Inc., received the highest overall rating.

Design Builder	Location
Morillo Construction, Inc.	Pasadena, CA
CDG Builders, Inc.	Irvine, CA
Snyder Langston, LLC.	Irvine, CA

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On January 2, 2026, notice of award and letters of regret were sent via the United States Postal Service, to the three prequalified DBE. The RFP required any appeal to be filed within five working days of the receipt of notification. No appeals were received during or after the appeal period.

PFMD recommends the Board award the Design Build Services Agreement to Morillo Construction, Inc., as the best value to the County, for the Project.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Daniel Pasek, Deputy County Counsel, 387-5455) on March 24, 2026; Purchasing (Jessica Barajas, Supervising Buyer 387-20765) on March 26, 2026; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor Controller Manager, 382-7022) on April 1, 2026; Project and Facilities Management (Sarah Riley, Chief of Project Management, 387-5115) on April 1, 2026; and County Finance and Administration (Yael Verduzco, Principal Administrative Analyst, 387-5285) on April 20, 2026.

(LA: 909-893-1788)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 5, 2026



cc: PFMD - Riley w/agree
 Contractor- c/o PFMD w/agree
 File - w/agree
MBA 05/11/2026