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Staff Report for a City of San Leandro City Council Resolution to Reject All Bids for the Farrelly Pool Replacement Project No. 2018.3420.

SUMMARY AND RECOMMENDATIONS

The project provides for the replacement of the Farrelly Pool facilities. Two bids were received for construction. One bid was considered non-responsive. The apparent low bidder's bid exceeded the engineer's estimate by 44%, which would increase project cost 87% above the project's current funding.

Staff recommends rejecting all bids from the June 25, 2019 bid opening for the subject project.

BACKGROUND

The Farrelly Pool facility is on the campus of Roosevelt Elementary School, located at 864 Dutton Avenue, San Leandro. The City leases the pool property from the San Leandro Unified School District (SLUSD) and maintains and operates the facility. SLUSD does not provide swim education at this location and does not use this aquatic facility for educational purposes.

This project is the second phase of a 2-phase project; phase 1 is the demolition contract, which was awarded in May 2019. Phase 1 started in June. Phase 2 is the construction of the replacement swimming pool facility. The swimming pool facility will be comprised of a standard 75' length for lap swimming and 62' width to provide a new 4,650 square foot pool. The pool will be oriented with a 2'-6" deep shallow end closest to the facility entry for safety and will have six lanes for lap swimming, four of which will have 6'-6" deep water which is deep enough to allow the use of diving blocks. The project also includes American with Disabilities Acts (ADA) compliant public changing rooms and restrooms and a staff area with a first aid station and training space. The new facility will be completely fenced off from the school property and all access to the facility will be from Gill Lane, a public alley.

A Master Agreement between SLUSD and the City for recreational use and maintenance of school sites that covers Farrelly Pool, Cherry Grove Park, Floresta Park and Burrell Field-Pacific Sports Complex was approved by the City Council on May 6, 2019.

Analysis

A total of two bids were received at the June 25, 2019 bid opening; the base bids (without alternates) were \$4,500,000 and \$6,620,000. The pre-bid engineer's estimate was \$4,610,000. The bid of \$4,500,000 was deemed non-responsive because the bidder's required California Class "B" license is still pending, although the bidder holds the requisite contractors licenses in many other states.

The one responsive bid is 44% above the engineer's estimate and would raise the total cost for the project to \$8,600,000, which is 87% more than currently budgeted. The project would require appropriation of \$4,000,000 of additional funds if the project were awarded to this contractor.

Staff will review the timing of re-bid with both bidders as well as firms who purchased plans but did not bid in order to determine a timeframe for re-bidding that maximizes competition. Staff will also request a quote for the project through the National Joint Powers Alliance, which offers Job Order Contracting (JOC) through an umbrella contract. The JOC process complies with the City's purchasing guidelines and could potentially reduce the schedule impact of rejecting bids. A new schedule for the project will also be developed in consultation with the San Leandro Unified School District.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure
- Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride

Previous Actions

- On April 16th, 2018 by Resolution No. 2018-031, the City Council approved the original design contract with Glass Architects for \$277,127, and authorized cumulative change orders up to 25% (\$69,282) of the original contract amount.
- On May 6, 2019 by Resolution No. 2019-077, the City Council awarded a \$134,185 Construction Contract to Demolition Services and Grading, Incorporated for the Farrelly Pool Replacement - Demolition Phase, Project No. 2018.3420, authorized the City Manager to negotiate and approve individual Change Orders up to 5% of the Original Contract Amount; and Authorized the City Manager to Negotiate and Approve Change Orders Up to a Cumulative Value of 25% of the Original Contract Amount;
- On May 6, 2019 by Resolution No. 2019-078, the City Council Authorized the City Manager to Execute a Memorandum of Understanding Between the San Leandro Unified School District and the City of San Leandro for the Construction of the Farrelly Pool Replacement.

Committee Review and Actions

- On April 3, 2019 staff presented the 50% design plans to the City Council Facilities and

Transportation Committee.

Applicable General Plan Policies

- Policy OSC-1.2 Park Maintenance. Provide for the regular, systematic maintenance of San Leandro’s parks and recreational facilities to prevent deterioration, ensure public safety, and permit continued public use and enjoyment.
- Policy OSC-1.4 Priority on Renovation. Where cost savings and equivalent benefits would be achieved, rehabilitate existing recreational facilities before building entirely new facilities. A priority should be placed on renovating athletic fields and swimming pools, improving energy efficiency, and replacing outdated facilities with new facilities that are safe, attractive, and more responsive to current needs.
- Policy OSC-4.1 Joint Use Agreements. Promote joint use agreements between the City and the San Leandro Unified School District and the San Lorenzo Unified School District to maximize public access to school recreational facilities and grounds during non-school hours.

Environmental Review

This project was deemed Categorically Exempt per California Environmental Quality Act (CEQA) section 15310 Class 1 (d) for existing structures. A CEQA Notice of Exemption was recorded on February 4, 2019 with the Alameda County Recorder’s Office.

Code Compliance Review

This work will be done under the following permits:

- A building permit from the City’s Community Development Department
- A permit from the Alameda County Department of Environmental Health (ACDEH) for the swimming pool and associated equipment.
- A permit from the Division of State Architect (DSA) for the perimeter fence and walls on Roosevelt Middle School.

Summary of Public Outreach Efforts

- A public meeting / open house was held on Wednesday March 27, 2019 at Roosevelt School. Recreation and Human Services staff distributed flyers to nearby residents. The proposed project, including the pool size and depth, and the building area and footprint, was presented to the public. Staff was available to answer questions and the public was invited to submit comments or suggestions.

Fiscal Impacts

The total project cost is as follows:

Design, Permit, and Bid:	\$600,000
Demolition Contract:	\$135,000
Construction Contract:	\$4,610,000
Utilities and Specialty construction contracts:	\$100,000
Contingency:	\$720,000

<u>Construction Management and Inspection:</u>	<u>\$300,000</u>
Project Total	\$6,465,000

Budget Authority

This project is funded as follows:

<u>Account No.</u>	<u>Resolution. Appropriation Date</u>	<u>Amount</u>
210-62-123	Res. 2017-072, June 5, 2017	\$2,300,000
210-62-131	Res. 2017-072, June 5, 2017	\$1,200,000
210-62-131	Res. 2019 -094, June 3, 2019	\$1,100,000

Total Current Funding: \$4,600,000

Appropriation of additional funds will be requested when a construction contract is awarded.

Attachment to Staff Report

- Bid Results

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