



## Legislation Text

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Staff Report for a City of San Leandro City Council Resolution to Award a \$6,222,450 Construction Contract to Tricon Construction, Inc. for the Farrelly Pool Replacement Project, Project No. 2018.3420; to Authorize the City Manager to Negotiate and Approve Individual Change Orders Up to 5% (or \$311,123) of the Original Contract Amount; to Authorize the City Manager to Negotiate and Approve Change Orders Up to a Cumulative Value of 15% (or \$933,368) of the Original Contract Amount; and to Appropriate \$3,950,000 for the Project in Fiscal Year 2019-20

### **SUMMARY AND RECOMMENDATIONS**

The project provides for the replacement of the Farrelly Pool facilities.

Staff recommends the following actions:

- Award a construction contract to Tricon Construction, Inc. in the amount of \$6,222,450;
- Authorize the City Manager to negotiate and approve individual change orders up to 5%, or \$311,123, of the original contract amount;
- Authorize the City Manager to negotiate and approve change orders up to a cumulative value not to exceed 15%, or \$933,368, of the original contract amount; and
- Appropriate an additional \$3,950,000 for the project.

### **BACKGROUND**

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

This contract is the second phase of a 2-phase project that will construct a new swimming pool facility. Phase 1 was the demolition contract that removed the existing buildings and pool and cleared the land for the new facility. The facility will be comprised of a standard 75' length by 62' width, 4,650 square foot pool for lap swimming. The pool will be oriented with a 2'-6" deep shallow end closest to the facility entry for safety and allow for swim lessons. The pool will have six lanes for lap swimming, four of which will have 6'-6" deep water, which is sufficiently deep to allow the use of diving blocks. The project also includes Americans with Disabilities Act (ADA) compliant public changing rooms and restrooms; a staff area with a first aid station and training space and a pump and equipment building. The new facility will be completely fenced off from the school property. All access to the facility will be from Gill Lane, a public alley.

On May 6, 2019, the City Council approved a Master Agreement between SLUSD and the City for recreational use and maintenance on several school sites that covers Farrelly Pool, Cherry Grove

Park, Floresta Park, and Burrell Field-Pacific Sports Complex.

The project was previously bid on June 25, 2019. One responsive bid was received in the amount of \$6,620,000. It was rejected. Subsequently, a quote for the work was obtained through an umbrella contract that offers predetermined prices for construction work. The prices for components of construction are competitively bid without a specific project identified, and then the individual component prices are combined to assemble a quote for the entire project. This process is known as job order contracting (JOC) and complies with the City's purchasing guidelines. The JOC process can reduce the time it takes to bid and award projects. Unfortunately, the JOC quote was rejected because the \$7,761,559 quote was considerably higher than the engineers estimate.

## **Analysis**

A total of four base bids without deductive alternates were received on October 15, 2019. Three of the bids were responsive and between \$6,222,450 and \$7,005,000. The pre-bid engineer's estimate was \$4,725,000. One bid, from USA Management, LLC was deemed non-responsive because the bidder does not have a Class B State of California Contractors License. Staff recommends award to the lowest responsive bidder, Tricon Construction, Inc. for the total base bid amount of \$6,222,450. Staff recommends that the two deductive alternates, which would remove the cupola and change roof material from metal to composition shingle be rejected as the bid amount, \$40,000 credit, does not warrant eliminating the architectural value of these items from the project.

The City applied the Local Business Preference Policy to this competitive bid. Staff presented the requirements of the Local Business Preference Policy at the mandatory pre-bid meetings, responded to bidder questions, and provided contact information for free technical assistance. Bidders were also provided with a list of San Leandro contractors performing trades applicable to the project's construction that currently hold City business licenses. None of the bidders have an office in San Leandro that would qualify them as a local business. Also, none of the bidders met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The low bidder, Tricon Construction, Inc. certified as part of its bid that it did complete good faith efforts to include local businesses in the project.

This project is also subject to the provisions of the Community Workforce Agreement (CWA). Each bidder was advised of the agreement in writing and verbally at the mandatory pre-bid meetings. Each contractor was given contact information for the Bay Area Business Roundtable, an organization hired by the City to provide free technical assistance to comply with the CWA. All of the responsive bidders signed the Community Workforce Agreement commitment form.

This contract represents the current understanding of the work required. From time to time changes to the scope of contracts are necessary to respond to new information or to include additional items of work necessary for a complete product. In order to resolve these issues in a timely fashion and avoid delaying work, staff requests authorization to issue individual change orders to the contractor up to 5% or \$311,123 each and cumulative change orders up to 15%, or \$933,368 of the original contract.

The project scope increased significantly during the design of this project. The original funding budgeted for a new pool and associated equipment was supplemented with funding as part of the current budget but additional funding is necessary due to the expanded scope that includes an

entirely new facility, and due to a bid that is 30% higher than the engineer's estimate.

Staff recommends that \$3,950,000 in funding be transferred to the Farrelly Pool Replacement Project as follows:

***\$2,455,000 from the Boat Harbor Decommissioning project - General Fund:***

The Boat Harbor Decommissioning project will be delayed until the adjacent Shoreline Development Project is closer to construction. The Boat Harbor Decommissioning project has a current budget of \$7,000,000 and the reduction in funding can be replaced with either CIP funds in a future budget or proceeds from the sale of property to the Shoreline Development Project.

***\$495,000 from Park Development Fees fund balance:***

This will delay work on other park projects such as Chabot Park Playground and Amphitheater Improvements and construction of a Downtown Park. These funds are available for projects that expand recreation opportunities within the City.

***\$475,000 from the City Park Major Maintenance project - General Fund:***

The Park Maintenance project has a budget of \$475,000 for fiscal year 2019-20 that is intended for repairs to bathrooms, play equipment, and wells. There is a shortage of designers and contractors in the Bay Area for such projects, and the City has not been able to fully expend the previous budget for park maintenance. The unspent portions of past appropriations have been carried forward to this fiscal year and work on the project continues. This project will receive additional funding in Fiscal Year 2020-21 as part of the biennial budget.

***\$170,000 from the Main Library AV Equipment project - General Fund:***

This project scope was expanded to include public meeting video broadcast capability that can be funded from the Public Education and Government (PEG) fund by an amount equivalent to the transferred amount.

***\$170,000 from the Marina Community Center AV Equipment project - General Fund:***

This project was expanded to include meeting video broadcast capability that can be funded from the PEG fund by an amount equivalent to the transferred amount.

***\$150,000 from the South Offices Meeting Room project - General Fund:***

This project was expanded to include meeting video broadcast capability that can be funded from the PEG fund by an amount equivalent to the transferred amount.

***\$35,000 from completed CIP projects - General Fund:***

Engineering studies 17-18, and Engineering studies 18-19, came in under budget and these funds are no longer needed for this purpose.

**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 a design contract with Glass Architects.
- On May 6, 2019 by Resolution No. 2019-077, the City Council awarded a construction contract for demolition to Demolition Services and Grading, Incorporated (DSGI).
- 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 project.
- On July 15, 2019 by Resolution No. 2019-134, the City Council rejected all bids for the construction of a new Farrelly Pool that were received at the June 25, 2019 bid opening.
- On October 21, 2019 by Resolution No. 2019-176, the City Council accepted the work of DSGI for the Demolition phase of this project.

### **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 Categorical Exempt under 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 for the swimming pool and associated equipment; and
- A permit from the Division of State Architect 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 estimated project cost is as follows:

Design, Permit, and Bid:	\$621,357
Demolition Contract:	\$158,000
Construction Contract:	\$6,222,450
Utilities, Permits, and Specialty construction contracts:	\$320,500
Construction Contingencies:	\$933,368
<u>Construction Management and Inspection (Staff and Consultants):</u>	<u>\$294,325</u>
<b>Project Total</b>	<b>\$8,550,000</b>

**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
<b>Subtotal Current Funding:</b>		<b>\$4,600,000</b>
<b><i>Additional Appropriation:</i></b>		

<u>Account No.</u>	<u>Source</u>	<u>FY</u>	<u>Amount</u>
210-62-131	General Fund	FY19/20	\$3,455,000
210-62-131	Park Develop Fees	FY19/20	\$495,000
Subtotal Additional Appropriation			\$3,950,000
<b>Total Proposed Project Funding:</b>			<b>\$8,550,000</b>

**Attachment to Staff Report**

- Bid Results

**PREPARED BY:** Mark Goralka, Associate Engineer, Engineering and Transportation Department