



## Legislation Details (With Text)

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<b>Title:</b>	Staff Report for a City of San Leandro City Council RESOLUTION to Award a \$6,268,000 Construction Contract to D. L. Falk Construction, Inc. for the Police Building and South Offices Modification Project, Project No. 2014.0481; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount; and City Council Approval to Appropriate \$943,000 from the 2018-19 CIP Bond				
<b>Sponsors:</b>	Keith Cooke				
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<b>Attachments:</b>	1. Bid Summary - Police Building and South Office Modifications Project				

Date	Ver.	Action By	Action	Result
11/5/2018	1	City Council	Received and Filed	

Staff Report for a City of San Leandro City Council RESOLUTION to Award a \$6,268,000 Construction Contract to D. L. Falk Construction, Inc. for the Police Building and South Offices Modification Project, Project No. 2014.0481; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount; and City Council Approval to Appropriate \$943,000 from the 2018-19 CIP Bond

### SUMMARY AND RECOMMENDATIONS

This contract provides for the construction of tenant improvements on the first floor of the Public Safety Building and within the South Offices Building.

Staff recommends the following actions:

- Award of a construction contract to D. L. Falk Construction, Inc. in the amount of \$6,268,000;
- Appropriation of \$943,000 additional funding for construction from the 2018-19 CIP bond proceeds;
- Authorization for the City Manager to negotiate and approve individual change orders up to 5%, or \$313,400, of the original contract amount; and
- Authorization for the City Manager to negotiate and approve change orders up to a cumulative value not to exceed 15%, or \$940,200 of the original contract amount.

### BACKGROUND

In 2009, Leach Mounce Architects prepared a Needs Assessment report for the San Leandro Police

Department (SLPD). The report stated that the SLPD is severely overcrowded inside the Public Safety Building. The report also identified other deficiencies, such as a lack of dedicated parking spaces for the department, electrical issues, and an absence of a proper physical training facility. The report went on to state that it did not appear feasible financially, structurally or space-wise to add the necessary office space and parking to the existing SLPD facility, and it provided three scenarios for a brand new SLPD building ranging from \$59.6 million to \$70.5 million in 2009 dollars. The City did not proceed with those recommendations due to lack of project funding.

The South Office Building previously housed the Recreation and Human Services Department, but they have vacated the space and relocated staff to City Hall, the Marina Community Center and Senior Community Center over the past few years. In 2013, Indigo/Hammond & Playle Architects was hired to provide space planning services to allow the SLPD to expand to the South Office Building to mitigate some of the overcrowding noted in the 2009 Needs Assessment report. Only non-Essential Services staff (i.e. excluding sworn officers) were slated to be relocated to the South Office Building to prevent the need for costly structural upgrades such that the building will meet the standards for an Essential Services Building.

Indigo developed two design concepts, since it was unknown the level of funding to be allocated towards construction. The first conceptual plan addressed the top five deficiencies noted in the 2009 Needs Assessment, namely:

- Dispatch Center
- Traffic Division
- Electrical System and Computer Server
- Investigations
- Physical Training Space

The second design concept did not include improvements for the Investigations Division or create a new physical training space. Both concepts were presented before City Council on July 28, 2014, and the first design concept was preferred and later funded for design and construction.

In 2016, Indigo/Hammond & Playle Architects was hired again to help develop construction-ready plans, specifications and estimates based on the conceptual documents that they previously prepared. At the Public Safety Building, approximately two-thirds of the first floor (3,776 square feet) will be remodeled. The scope of work includes expanding the dispatch center, enlarging the server room, creation of a new Dispatch breakroom, a new Lieutenants locker room, and offices for managers, supervisors and Lieutenants. Excluding contingencies, the construction cost is roughly \$506 per square foot for the Public Safety Building.

Improvements at the South Offices include a new public lobby with a children's alcove. The existing lobby at the Public Safety Building will no longer be used as such after the completion of this project. Other improvements include new office space for the Records Division, Traffic Division, Code Compliance, and volunteers. There will be two quiet rooms for officers to rest after long shifts. The scope of work also includes a new physical training room with lockers and showers to be open to all City staff, an interview room, Livescan fingerprinting room, breakroom, conference room, restrooms, and storage rooms. The theater space formerly used by the California Conservatory Theater will be turned into a community meeting room with attached storage and food preparation areas to help make up for the fact that the South Office Conference Room will no longer be available. 9,439 square feet of the South Office Building will receive tenant improvements, which is almost the entirety of the building. The building construction cost is roughly \$414 per square foot, excluding contingencies,

based on the proposal from the lowest bidder.

Minor site work is also included in the project scope to address Americans with Disabilities Act (ADA) deficiencies along the sidewalk on E. 14<sup>th</sup> Street and also at the Toler Avenue parking lot.

### **Analysis**

A total of four bids were received at the bid opening on September 20, 2018. The bids were from \$6,268,000 to \$7,028,000. The pre-bid engineer's estimate was \$6,218,084. The low bidder was D.L. Falk Construction, Inc. of Hayward. Staff verified that the contractor has a valid license with the Contractor's State License Board and is registered with the California Department of Industrial Relations.

At the mandatory pre-bid meetings, staff presented the requirements of the Local Inclusion Policy Ordinance, responded to bidder questions, and provided contact information for free technical assistance with compliance. Bidders were also provided with a list of San Leandro contractors performing trades applicable to this project's construction that currently hold business licenses with the City of San Leandro.

None of the bidders have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. Also, none of the bidders met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The lowest responsive bidder has one local subcontractor, Western Roofing, whose subcontract for approximately \$70,000 represents 1% of the total contract value. Additionally, the lowest responsive bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal, pursuant to the Local Inclusion Policy.

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 bidders signed the Community Workforce Agreement commitment form.

As is standard in the construction industry, staff balanced site investigation costs with the risk of finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delay to the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (\$313,400) of the original contract amount and cumulative change orders up to 15% (\$940,200) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

Although the City Council originally approved \$8,474,983 for this project, due to the increase in construction costs, the updated project estimate is now \$9,417,686. There is a marked shortage of available construction labor in Northern California, especially in the Bay Area, and as a result, recent

bids for Capital Improvement Projects throughout the region have been 15% higher than budgeted. Staff requests appropriation of additional funds in the amount of \$943,000 from the 2018-19 CIP Bond, which would result in a decreased appropriation for the same amount from the CIP Bond for the Casa Peralta Improvements Project.

### **Current Agency Policies**

- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe
- Maintain and enhance San Leandro's infrastructure

### **Previous Actions**

- On December 2, 2013, the City Council by Resolution No. 2013-151 approved a consulting services agreement with Indigo/Hammond & Playle Architects, LLP for the South Offices Space Planning Project.
- On July 28, 2014, two conceptual plans were presented to the City Council at a work session. Of the two design options presented, the City Council selected the option recommended by staff.
- On October 5, 2015, the City Council by Resolution No. 2015-171 deferred \$542,000 in project funding from FY 2016 to FY 2017.
- On November 7, 2016, the City Council by Resolution No. 2016-145, approved a consulting services agreement with Indigo/Hammond & Playle Architects, LLP for design services related to the Police Building and South Offices Modifications Project.
- On July 3, 2017, the City Council by Resolution No. 2017-093 approved Amendment No. 1 to the design contract with Indigo/Hammond & Playle Architects, LLP for design services to convert the theater space inside the South Offices Building to a new community meeting room.
- On November 6, 2017, the City Council by Resolution No. 2017-157 deferred \$560,000 in project funding from FY 2017 to FY 2019.

### **Applicable General Plan Policies**

GOAL CSF-1: Provide and maintain high-quality police, fire, and emergency medical services.

### **Environmental Review**

This project was deemed Categorically Exempt per California Environmental Quality Act (CEQA) section 15301 (A and C) - Existing Facilities.

### **Fiscal Impacts**

The total estimated project cost is \$9,417,686 as detailed below:

Indigo design contract	\$806,002
Other design costs	\$168,905
Construction contract	\$6,268,000

Construction contingency (15%)	\$940,200
Indigo construction support contract	\$394,090
Construction administration	\$195,289
Misc. testing and inspections	\$65,000
Dispatch consoles	\$145,200
Furnishings	\$285,000
<u>Phones, IT, and A/V equipment</u>	<u>\$150,000</u>
<b>Total</b>	<b>\$9,417,686</b>

### **Budget Authority**

Funding allocations for the Police Building and South Office Modifications Project are as follows:

<u>Account No.</u>	<u>Source</u>	<u>FY/Approp. Date</u>	<u>Amount</u>
210-18-137	General Fund	FY15/16	\$208,000
210-18-137	General Fund	FY16/17	\$1,556,983
210-18-145	General Fund, CIP Bond	FY18/19	\$5,000,000
210-18-137	General Fund	FY17/18	\$560,000
<u>210-18-146</u>	<u>General Fund, CIP Bond</u>	<u>FY18/19</u>	<u>\$1,150,000</u>
Total Appropriation			\$8,474,983

<u>Appropriation requested by this action in account 210-18-145-5240</u>	<u>\$943,000</u>
<b>Total Proposed Project Funding</b>	<b>\$9,417,983</b>

Funding for the Casa Peralta Improvements project is revised as follows:

<u>Appropriation requested by this action in account 210-18-403</u>	<u>(\$943,000)</u>
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### **ATTACHMENT**

- Bid Summary - Police Building and South Office Modifications Project

**PREPARED BY:** Kyle K. Lei, Associate Engineer, Engineering and Transportation Department