



CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: April 22, 2008

TO: Mayor and Councilmembers
Chairperson and Boardmembers

FROM: Engineering Division, Public Works Department;
Housing and Redevelopment Division, Community Development
Department

SUBJECT: Contract For Construction For The Fire Station No. 1 Seismic
Renovation Project

RECOMMENDATION:

- A. That the Redevelopment Agency (RDA) Board increase appropriations in the RDA's 2003 Bond Funds by \$1,075,614 for the Fire Station No. 1 Seismic Renovation Project (Project), funded from unappropriated interest earnings accrued from that Fund;
- B. That the RDA Board authorize the total expenditure of \$6,635,614 for the Project;
- C. That Council waive a minor bid irregularity, reject the bid protests, and award and authorize the Public Works Director to execute a contract with McGillivray Construction, Incorporated (McGillivray), in their low bid amount of \$4,070,559, including additive bid alternates, for construction of the Project, Bid No. 3445, and approve expenditures up to \$407,000 to cover any cost increases that may result from contract change orders for extra work and discrepancies in the plans and specifications;
- D. That Council authorize the Public Works Director to execute a contract with Kruger Bensen Ziemer Architects, Incorporated (KBZ), in the amount of \$200,800 for construction support and Leadership in Energy and Environmental Design (LEED) administrative services, and authorize the Public Works Director to approve expenditures of up to \$20,080 for extra services of KBZ that may result from necessary changes in the scope of work;
- E. That Council authorize the Public Works Director to execute a contract with AG Mechanical, Incorporated (AG Mechanical), in the amount of \$72,800 to provide Enhanced LEED Commissioning, and authorize the Public Works Director to approve expenditures of up to \$7,280 for extra services of AG Mechanical that may result from necessary changes in the scope of work;

- F. That Council authorize the General Services Manager to issue a purchase order to Pacific Materials Laboratory, Incorporated (Pacific Materials), in the amount of \$33,100 to provide materials testing and special inspection services, and to approve expenditures of up to \$3,310 for extra services of Pacific Materials that may result from necessary changes in the scope of work; and
- G. That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving and Adopting the Findings Required by Health and Safety Code Section 33445 for Redevelopment Agency Funding of Capital Improvements to Fire Station No. 1.

EXECUTIVE SUMMARY:

Nine bids were received for the Fire Station No. 1 Seismic Renovation Project with the lowest bidder being McGillivray. To complete the construction phase of the project, staff recommends Council waive the minor bid irregularity, reject the bid protests, and authorize the Public Works Director to accept the low bid, including the additive bid alternates, and enter into a contract with McGillivray. Staff recommends that Council authorize the Public Works Director to enter into a contract with KBZ and AG Mechanical for services during construction. Staff also recommends that Council authorize the General Services Manager to issue a Purchase Order to Pacific Materials for material testing and special inspection services. To fund construction, staff recommends that the RDA Board increase appropriations in the RDA's 2003 Bond Fund by \$1,075,614.

DISCUSSION:

BACKGROUND

The current Fire Station No. 1, located at 121 West Carrillo Street, was originally constructed in 1959 and, over the years, has only had some crew-interior space modifications. This downtown building has been in continuous use (24/7) for the past 47 years and is still operating with the original building infrastructure, while responding to over one-third of all fire and medical emergencies in the City. A Concept and Feasibility Study performed in 2006 by KBZ, identified the building as structurally and functionally inadequate and undersized for the current needs of the Department. The building contains dilapidated building systems and does not meet Building Code or Americans With Disabilities Act (ADA) requirements.

Perhaps the most alarming issue that was identified in the feasibility analysis was the lack of structural integrity of the Fire Station. The Structural Engineer's Report dated December 13, 2005, clearly describes the Fire Station as having "structural irregularities that must be corrected." Of the five specific seismic inadequacies described in the report, the most compelling is the comment stating: "Severe Torsional Irregularity – second floor rigid diaphragm does not tie directly to a vertical

shear resisting element of the north side. This results in high torsional forces on the structure, causing the building to twist severely during an earthquake and causing the building to tear itself apart due to the twisting effects.”

On July 24, 2007, Council and the RDA Board received a status report authorized by the Public Works Director to execute a contract for final design, and approved a funding strategy that included an additional appropriation of \$1.26 million from RDA's Project Contingency Account. At that meeting, staff emphasized that the actual funding shortfall would not be known until a more refined estimate could be performed and the City received bids from contractors.

On February 5, 2008, Council unanimously directed staff to complete the final design and advertise the project for competitive bidding in order to acquire an actual total project cost for a final decision.

PROJECT SCHEDULE

The construction phase is scheduled to begin in June 2008, and be completed by June 2009. Since the Fire Station must remain operational at all times during construction, temporary trailers will be set up behind the Fire Station to accommodate on-duty Fire Fighters. The temporary trailers will remain onsite until the second floor crew's quarters have been approved for occupancy by the Building Department.

PROJECT DESCRIPTION

The scope of the Project includes a complete seismic upgrade, extensive remodel of the second floor crew's quarters, partial remodel of the first floor office area, and replacement of all gas, water, sewer and electrical services. The design of the Project will not impact the historical symbolism or change the architectural motif of the Fire Station. Highlights of the Project include an emergency generator, structural caissons and steel moment frame connection modifications, concrete shear walls, tile roofing, LEED certified building materials, elevator, windows, kitchen, ADA-compliant restrooms, HVAC (heating, ventilating and air conditioning), hazardous material abatement, electrical, plumbing, and temporary trailer accommodations. The additive bid alternates included a solar hot water system, a photo voltaic system, and new energy efficient windows throughout the building. The entire Project is being constructed while the Fire Station remains operational.

CONTRACT BIDS

A total of nine bids were received for the subject work, ranging as follows:

	BIDDER	BID AMOUNT
1.	McGillivray Construction, Ventura	\$ 4,070,559
2.	Newton Construction, San Luis Obispo	\$ 4,417,000
3.	Viola, Oxnard	\$ 4,747,000
4.	Pat McCarthy Construction, Oxnard	\$ 4,800,239
5.	Harbor Construction Company, Irvine	\$ 4,819,000
6.	Smith Electric Service, Santa Maria	\$ 5,498,410
7.	Melchiori Construction Company, Santa Barbara	*\$ 5,667,420
8.	Schock Contracting, Santa Barbara	\$ 5,855,000
9.	Lack Construction, Santa Barbara	\$ 6,215,000

*corrected bid total

The low bid of \$4,070,559, submitted by McGillivray, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The average of the bids received was \$5,119,959 which is \$1,229,111, or 19%, under the engineer's estimate of \$6,349,070. Staff believes that the bids received were significantly lower than the engineer's estimate because of the current favorable bidding climate. The change order funding recommendation of \$407,000, or 10%, is typical for this type of work and size of project.

BID PROTEST

On April 4, 2008, two bid protests were filed by the second and third apparent low bidders, (Newton Construction and Viola). At the heart of the protest were two issues, one involving a minor bid irregularity associated with the failure to submit the bid specifications booklet and the other questioning whether McGillivray listed all of the subcontractors necessary to complete the work. After reviewing the bid irregularity, the absence of the booklet was deemed not a material advantage to the bidders, and thus a minor bid irregularity. On the second issue the Standard Specifications for Public Works Construction adopted by the City states that the general contractor must list all subcontractors that will perform work equal to one-half of one percent of the contract amount. Staff has reviewed the basis of protest and is satisfied that the subcontractors submitted by McGillivray meet the intent of this requirement. Based on the findings, staff recommends waiving the minor bid irregularity, rejecting the bid protests, and proceeding with the award of the contract to McGillivray.

CONSTRUCTION PHASE CONTRACT SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with McGillivray in the amount of \$4,070,559, including \$407,000 in change order authority, for the construction of the Project, and includes additive bid alternates for solar power and new windows, per the plans and specifications.

Staff recommends that Council authorize the Public Works Director to execute a contract with KBZ in the amount of \$200,800, including \$20,080 for extra services, for construction support and LEED administrative services. KBZ has been the Project architect throughout the Project, has done a superb job, and therefore is most qualified to continue with this Project during construction. In addition to the normal construction support services, KBZ will also be providing LEED administrative services to assist the Project in achieving a LEED silver rating. The General Service Manager has already issued a Purchase Order to KBZ in the amount of \$20,000 for preconstruction LEED administration services to cover immediate, necessary services.

Staff recommends that Council authorize the Public Works Director to execute a contract with AG Mechanical in the amount of \$72,800, including \$7,280 for extra services, to provide Enhanced LEED Commissioning. The Enhanced LEED Commissioning is an independent third party review of the LEED process to ensure the project objectives meet the goals of the United States Green Building Council (USGBC).

Staff recommends that Council authorize the General Services Manager to issue a Purchase Order to Pacific Materials in the amount of \$33,100, including \$3,310 for extra services, for material testing and special inspection services. Pacific Materials is on the City's Pre-qualified Engineering Services list and is experienced in this type of work.

During the course of the construction elements of the renovation project, it will be necessary for all 24 non-shift personnel in the various divisions to move to another location for approximately 18 months. The Community Development Director has negotiated a lease of 925 De La Vina for approximately \$19,000 per month. Moving costs are projected to be \$50,000 for a total of \$392,000. When the construction has been completed, we anticipate having enough space to move six to seven office and clerical staff back into the building. The remaining staff would need to continue to operate in leased office space until a permanent office solution can be funded.

FUNDING:

The Project was included in the RDA's 2003 Tax Allocation Bond issuance at a funding level of \$3.3 million. An additional appropriation of \$1 million from the same fund was included in the RDA's Fiscal Year 2007 budget approval, for a total allocation, at that time, of \$4.3 million. On July 24, 2007, City Council approved a funding strategy that appropriated an additional \$1.26 million from the RDA's Capital Project Contingency Account, bringing the total appropriated funds for the Project to \$5.56 million. The total project cost is estimated at \$6.636 million, resulting in a shortfall of approximately \$1.076 million.

The following summarizes the funding required and appropriation requested in this report:

PROJECT FINANCE SUMMARY

Current Funding		
2003 Bond Issuance	\$3,300,000	
2003 Bond Add'l Appropriation (FY 2007)	\$1,000,000	
Capital Project Contingency (07/24/2007)	\$1,260,000	
Total Current Funding	\$5,560,000	
Estimated Total Project Cost		\$6,635,614
Total Current Funding		(\$5,560,000)
Funding Shortfall / Requested Appropriation		\$1,075,614

Staff recommends that the RDA Board increase appropriations in the RDA's 2003A Bond Fund account by \$1,075,614 for the Project to be funded by the unappropriated interest earned on that fund. Sufficient funding exists to account for the shortfall.

The following summarizes the contract expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
Fire Station No. 1 Seismic Renovations Project	\$4,070,559	\$407,000	\$4,477,559
Construction Support Services	\$200,800	\$20,080	\$220,880
Enhanced LEED Commissioning	\$72,800	\$7,280	\$80,080
Material Testing and Special Inspection	\$33,100	\$3,310	\$36,410
Total Recommended Authorization			\$4,814,929

The following summarizes all design, construction and other project related costs:

ESTIMATED TOTAL PROJECT COST SUMMARY

Design	
Design (by Contract)	\$749,685
Other Design Costs (City Staff, special supplies)	\$180,000
Subtotal	\$929,685
Construction	
Construction Contract	\$4,070,559
Construction Change Order Allowance	\$407,000
Construction Support and LEED Admin. Serv. (by Contract)	\$220,880
Enhanced LEED Commissioning (by Contract)	\$80,080
Materials Testing and Special Inspection (by Contract)	\$36,410
Subtotal	\$4,814,929
Construction Management/Inspection (by City staff)	\$250,000
Other Construction Costs (permits, special supplies, LEED)	*\$30,000
Office Space Lease and Moving Expenses – 18 Months	\$392,000
Furnishings and Equipment	\$219,000
Subtotal	\$891,000
Estimated Total Project Cost	
	\$6,635,614

*Includes \$20,000 purchase order with KBZ discussed in contract services.

HEALTH AND SAFETY CODE SECTION 33445 FINDINGS:

RDA funds can be used under State law for capital improvements in the redevelopment project area if the following findings can be made and adopted by resolution of the local legislative body (City Council):

- The improvements are publicly owned.
- There are no other reasonable means of financing the improvements.
- The improvements will benefit the project area by eliminating blighting influences and are consistent with the project area's adopted Implementation Plan.

Fire Station No. 1 is within the Central City Redevelopment Project Area and is publicly owned. There are no other reasonable sources of funds to accomplish the renovation project. Fire Station No. 1 provides the residences and businesses of the project area with critical public safety services, without which the project area would not be a viable residential or commercial area, and would therefore be blighted. This use of funds for eliminating blight is consistent with the current adopted Implementation Plan of the Central City Redevelopment Project Area.

SUSTAINABILITY IMPACT:

This project incorporates green building materials and construction techniques to accomplish a LEED Silver rating for new construction. Project highlights include solar power to supplement electricity and hot water production along with new energy efficient windows.

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SUBMITTED BY: Paul Casey, Acting Public Works Director
Dave Gustafson, Acting Community Development Director

APPROVED BY: City Administrator's Office