

AGENDA ITEM NO.

COUNCIL MEETING 10/02/07

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

October 2, 2007

FROM: PATRICK WIEMILLER, Director 
Public Works Department

BY: SCOTT KRAUTER, PE, Capital Projects Manager 
Public Works Department, Capital Management Division

ANDY VANDERFORD, Project Manager
Public Works Department, Capital Management Division

PAUL MELIKIAN, Administrative Manager 
Parks, Recreation and Community Services Department

SUBJECT: 1) AWARD FOUR MULTI-PRIME CONTRACTS TOTALING \$388,051.18
AND REJECT ONE MULTI-PRIME BID PACKAGE RELATED TO THE DICKEY
YOUTH DEVELOPMENT CENTER, AS FOLLOWS:
(COUNCIL DISTRICT NO. 3):

AWARD A CONTRACT IN THE AMOUNT OF \$42,537.18 FOR BID PACKAGE
01 TO BRINER & SON, FOR LANDSCAPE & IRRIGATION; AND

AWARD A CONTRACT IN THE AMOUNT OF \$218,500 FOR BID PACKAGE 05
TO DMG CONSTRUCTION INC., FOR CASEWORK & MILLWORK; AND

AWARD A CONTRACT IN THE AMOUNT OF \$42,300 FOR BID PACKAGE 07
TO WESTERN BUILDING MATERIALS, FOR ACOUSTICAL CEILINGS; AND

AWARD A CONTRACT IN THE AMOUNT OF \$84,714 BID PACKAGE 09 TO
DAVIS MORENO CONSTRUCTION, FOR FIRE SPRINKLERS; AND

REJECT BID FOR BID PACKAGE 11, FROM NOLTE SHEET METAL, INC. FOR
HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)

2) A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING
THE 31st AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO.
2007-214 APPROPRIATING \$73,700 IN REBUDGETED STATE GRANT FUNDS
AND REALLOCATING \$1,045,000 IN PARKS IMPACT FEE BOND FUNDS TO
COMPLETE FUNDING FOR THE CONSTRUCTION OF THE DICKEY YOUTH
DEVELOPMENT CENTER

KEY RESULT AREA

Customer Satisfaction

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RECOMMENDATIONS

Staff recommends that the City Council:

1. Award a contract in the amount of \$42,537.18 to Briner & Son as the lowest responsive and responsible bidder for Multi-Prime Bid Package DYCD-01 for Landscape & Irrigation.
2. Award a contract in the amount of \$218,500 to DMG Construction Inc. as the lowest responsive and responsible bidder for Multi-Prime Bid Package DYCD-05 for Casework and Millwork.
3. Award a contract in the amount of \$42,300 to Western Building Materials as the lowest responsive and responsible bidder for Multi-Prime Bid Package DYDC-07 for Acoustical Ceilings.
4. Award a contract in the amount of \$84,714 to Davis Moreno Construction as the lowest responsive and responsible bidder for Multi-Prime Bid Package DYDC-09 for Fire Sprinklers.
5. Reject Multi-Prime Bid Package DYDC-11 for HVAC from Nottle Sheet Metal Inc. Reason: The DYDC-11 low bid amount of \$636,100 substantially exceeds the funds available, and only one bid was received. This Bid Package would be re-bid formally.
6. Approve the re-budget \$73,700 of remaining State grant funds and reallocation of \$1,045,000 of Park Impact Fee Bond funds to complete the funding needed to finish the construction of the Dickey Youth Development Center. (More information under the Fiscal Impact section)

It is recommended that council authorize the Public Works Director or his designee to sign the awarded contracts on behalf of the City.

EXECUTIVE SUMMARY

The Parks, Recreation and Community Services Department with assistance from the Public Works Department is currently constructing a neighborhood community center located at North Glenn Avenue and Divisadero Street, on a 23,374 square foot parcel owned by the City. The center is a new 11,056 square foot 2-story building that will be used to offer a wide range of activities, programs, and community services for children and youth, including; arts, crafts, fitness, recreation, sports, day camps, and special events. Staff chose the 'Multi-Prime' construction delivery method for this project, which requires twelve individual bid packages. Council has already awarded seven of the twelve bid packages, thus allowing construction work to begin while the five other packages were re-bid due to irregularities or re-scoped to be within budget constraints. At the time of award of the first seven packages, Council was informed that all 12 bid packages would eventually need to be awarded enable to deliver a complete project. Therefore award of the first seven packages was a commitment to award the remaining five packages.

An appropriation resolution is also needed to re-budget \$73,700 in State grant funds in the current fiscal year that were originally estimated to be spent in FY 2007, and reallocate \$1,045,000 in Park Impact Fee Bond Funds to complete funding for the project. More information is contained under the Fiscal Impact Statement.

KEY OBJECTIVE BALANCE

Award of these construction contracts and appropriation of remaining funds needed to complete the project best balances the three Key Objectives of Customer Satisfaction, Employee Satisfaction and prudent Fiscal Management. This project will provide additional recreational opportunities to serve the

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customer citizens in the area. Employee satisfaction will be addressed by providing improved facilities for recreational services for the neighborhood. Financial Management is also included because grants and CDBG funds will reimburse the City for approximately 70% of the entire project.

BACKGROUND

The Parks, Recreation, and Community Services Department (PRCS) partnered with the Chicano Youth Center who in 1999 applied for and won a competitive grant from the California Youth Authority (CYA) for \$1,725,000 to construct a much needed community center for this neighborhood area. In support of the partnership, in 2000 PRCS applied for and won a \$1,675,000 State Parks Murray-Hayden grant and became the fiscal administrator of the CYA grant. CDBG funds totaling \$1,015,357 were also acquired by PRCS to satisfy the grant match and land acquisition costs.

On June 16, 2006 Council awarded a contract to SIM Architects to provide staff with construction documents for acquiring all necessary Planning and Development Department approvals, as well as providing construction documents for bidding the construction of this new building. The City's design goal is for the building to be context sensitive within the historic multi-ethnic neighborhood and comply with seven mitigation measures identified to prevent adverse impact to the surrounding neighborhood. In addition, at a February 1st, 2005 City Council meeting, the Public Works Department was directed to bid all publicly-funded buildings of 10,000 square feet or more as a "Green Building" i.e. as close to LEED (Leadership in Energy and Environment) certification standards.

On June 26, 2007 Council awarded Multi-Prime Bid Packages DYCD-02 Demolition / Earthwork / Paving / Concrete (ALL) / Masonry, DYCD-03 Carpentry / Structural Steel / General Specialties / Elevator / Glass & Glazing / Windows, DYCD-04 Lath & Plaster / Gypsum Wallboard / Building Insulation, DYCD-06 Roofing (Metal Roofing & Built-Up), DYCD-08 Painting, DYCD-010 Plumbing (Building & Site), and DYCD-12 Electrical + Telecommunications / Fire Alarm / Low Voltage, totaling \$3,242,433.00, and rejected bids for Multi-Prime Bid Packages DYCD-01 Landscape & Irrigation, DYCD-05 Casework and Millwork, DYCD-07 Acoustical Ceilings, DYCD-09 Fire Sprinklers, and DYCD-11 HVAC. Council also approved re-bidding Multi-Prime Bid Packages DYCD-01 Landscape & Irrigation, DYCD-05 Casework and Millwork, DYCD-07 Acoustical Ceilings, DYCD-09 Fire Sprinklers, and DYCD-11 HVAC.

Plans and Specifications were prepared for re-bidding Multi-Prime Bid Packages DYCD-01 Landscape & Irrigation, DYCD-05 Casework and Millwork, DYCD-07 Acoustical Ceilings, DYCD-09 Fire Sprinklers, and DYCD-11 HVAC; and a Notice of Inviting Bids was published in the Business Journal on August 31, 2007, posted on the City's website and faxed to 11 builder exchanges. The specifications were distributed to 11 prospective bidders, 13 bid proposals were received and opened on September 13th, 2007, for these Bid Packages.

The lowest responsive and responsible bidders are as follows:

Bid Package 1 - Landscape & Irrigation; Briner & Son

Bid Package 5 - Casework and Millwork; DMG Construction Inc.

Bid Package 7 - Acoustical Ceilings; Western Building Materials

Bid Package 9 - Fire Sprinklers; Davis Moreno Construction

The total of all the re-bid packages included the previously awarded bid packages totals \$4,266,584.18 which is 22% over the Engineer's Estimate.

Bid Package DYDC-11 HVAC low bid amount of \$636,100 is substantially over the engineers estimate by \$236,100 (59%), and was the only bid received. Staff is recommending re-bidding Bid Package DYDC-11 HVAC within 60 days, and returned to council for award. Re-bidding the HVAC package, with

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a planned award within 60 days, may slightly negatively impact the project. Awarding the HVAC package beyond 60 days may have significant negatively impact on the project.

Staff has researched each re-bid package and determined that the four bid packages recommended for award are responsible and competitive. Of the bid packages that staff is recommending for award, Bid Package 1 Landscape & Irrigation is over the engineer's estimate at 22%, Bid Package 5 Casework and Millwork is over the engineer's estimate at 46%, Bid Package 7 Acoustical Ceilings is over the engineer's estimate at 6%, and Bid Package 9 Fire Sprinklers is under the engineer's estimate at 11%. Staff reviewed the scope of these re-bid packages and it was determined that the engineer's estimates did not reflect all of the detail that was designed into the project. With the award of these bid packages, the project will be completed in 270 calendar days from issuance of the initial Notice to Proceed.

Council has the option to reject, award, or take no action on any one single Bid Package.

FISCAL IMPACT

An additional \$1,045,000 is needed to complete the funding for this project. Parks and Public Works staff notified Council of a shortage of funds for this project on two separate occasions: 1) The June 2006 award of the consultant agreement for architectural services and 2) The June 2007 award of seven multi-prime construction contracts. The specific shortage amount was not known previously because Staff had not received all bids for construction. Although we still have one bid remaining (for the HVAC system), Public Works Staff have extensively surveyed potential vendors [who we believe] will participate in the next bid for the HVAC, and they are confident that the bids will come in close to the engineer's estimates.

Current funding for the Dickey Youth Center

\$ 1,725,000	California Dept. of Corrections & Rehabilitation (CYA Grant)
1,675,000	California State Parks Murray-Hayden Grant
<u>1,015,357</u>	<u>CDBG funds for Grant Match and Land Acquisition</u>
\$ 4,415,357	Total Existing Project Funds*

Less:	<u>\$ 5,460,484</u>	<u>Estimated Total Project Cost (including costs for initial project)</u>
	<\$1,045,127>	Funding Gap to Complete Project

* As part of the Park Impact Fee Reimbursement Resolution dated December 5, 2006, Council approved \$500,000 to be used to purchase all furniture and equipment needed for the interior of the Dickey Youth Center. (The competitive grant funds awarded do not allow for the purchase of furniture.) This funding is not incorporated into the construction budget numbers in this report. As time passed, Parks Staff recognized that an identical need existed for the new EOC gym/neighborhood center, which is slated to be opened later this year. Understanding the need for furniture and equipment for both new facilities, Parks Staff plans to return to Council with a non-AAR resolution to transfer a portion of the \$500,000 budget (Dickey) to be used for furniture & equipment at the EOC gym/neighborhood center.

Explanation of Funding Gap

\$ 599,700	Initial project costs to build in Dickey Park
350,000	Additional square footage to meet State grant requirements
95,427	Increases in construction costs since original budget
\$ 1,045,127	Total Funding Gap

In 2005, the court ruled that the City of Fresno needed to mitigate several issues with this project before it could be constructed in Dickey Park. City staff decided not to contest the ruling or build in Dickey Park.

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A new site for this project was identified, approved and acquired in 2006. The actual and estimated costs for that prior project were \$599,700, paid from CDBG funds. These costs include, legal and architect fees, land acquisition costs, EIR costs, purchasing, construction management and other staff costs. These costs are included and identified in the attached Fiscal Impact Statement as "Additional Indirect Costs – Prior Project"

The actual and estimated costs for the current project are \$4,860,784. That amount, combined with the prior costs of \$599,700, equals a total project cost of \$5,460,484.

The City's design goal for the Center required it to be context sensitive within the historic multi-ethnic neighborhood. In addition, at a February 1st 2005 City Council meeting, the Public Works Department was directed to bid all publicly-funded buildings of 10,000 square feet or more as "Green". At that time City staff recommended to the City Council to follow the Leadership in Energy and Environmental Design (LEED) standards, although Council chose an alternative - that of being "green" but without a program or definition. Thus, what was suggested to the design consultant was to design the greenest building possible within the budget, and one that ideally could be certified for LEED. On April 25th, the firm of SIM Architects was selected for the preparation of plans, specifications and estimates.

As noted below (above) in the Background of Project, the building design is required to be context sensitive within the historic multi-ethnic neighborhood, and that it be "Green". Enable to achieve these criteria the building design incorporates many elements that are atypical of most buildings and have also been identified as contributing factors to the cost overages, particularly the HVAC system.

The original construction budget was based on a building size of 10,000 square feet. The final building square footage equals 11,056 square feet in order for Recreation and Community Service programs to have adequate space to conduct programming as stipulated in the State grant applications. The additional 1,056 square feet is estimated to have added roughly \$350,000 to the overall cost of the project.

The remaining \$95,427 is attributed to increases in the costs of construction, namely raw materials, since the development of the original project budget.

City Council approved a Reimbursement Resolution on December 5, 2006 for multiple park and recreation facility development projects funded by Park Impact Fee Bond Funds. One of those projects was Park Land Acquisition for \$4,000,000. Staff recommends that \$1,045,000 of the Park Land Acquisition funds be reallocated to cover the funding gap for this project. This action will have no impact to the General Fund or on any other current park development projects.

Attached Project Fiscal Impact Statement
Resolution

FISCAL IMPACT STATEMENT

PROGRAM: Parks, Recreation and Community Services Department

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
A. Direct Costs		
1. Bid Packages 2,3,4,6,8,10,12 previously awarded:	\$ 3,242,433.00	
2. Re-Bid Packages 1,5,7,9 <u>herein for award</u> :	388,051.18	
3. Engineer's Estimate for Re-Bid Package 11 (pending):	400,000.00	
4. Construction Contingency	200,000.00	

TOTAL Direct Costs (actuals + estimated):	\$ 4,230,484.18	_____
B. Indirect Costs for <u>Current Project</u>		
1. Architectural & CM, Project Mgmt., Inspection,		
2. Permits, Etc. (actuals + estimated)	\$ 630,300.00	_____

C. Sub-Total Cost for <u>Current Project</u> (actuals + estimated)	\$ 4,860,784.18	_____
D. Revenue (Grants & GDBG funding)	\$ 4,415,357.00	_____
E. Net City Cost for <u>Current Project</u> (Sub-total)	\$ 445,427.18	_____
F. Additional Indirect Costs – <u>Prior Project</u> (actuals + estimated)	\$ 599,700.00	_____
1. Litigation from Prior Project		
2. Architectural fees from Prior Project		
3. Staff time from Prior Project		
4. Purchase of property for new Current Project		
5. Environmental from Prior project		
6. Etc.		
G. Grand Total Cost (<u>Current Project</u> plus <u>Prior Project</u>)	\$ 5,460,484.18	_____
H. Grand Total of Net City Cost (<u>Current Project</u> plus <u>Prior Project</u>)	\$ 1,045,127.18	_____
I. Amount Budgeted	\$ 4,415,357.00	_____

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 31st AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2007-214 APPROPRIATING \$73,700 IN REBUDGETED STATE GRANT FUNDS AND REALLOCATING \$1,045,000 IN PARKS IMPACT FEE BOND FUNDS TO COMPLETE FUNDING FOR THE CONSTRUCTION OF THE DICKEY YOUTH DEVELOPMENT CENTER

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT PART III of the Annual Appropriation Resolution No. 2007-214 be and is hereby amended as follows:

	<u>Increase/(Decrease)</u>
TO: PARKS, RECREATION & COMMUNITY SERVICES DEPARTMENT Proposition 12 - Parks & Rec	\$73,700

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

Proposition 12 - Parks & Rec

Revenues:

Account: 30101 Transfer from Fund Balance	<u>\$ 73,700</u>
Fund: 22021	
Org Unit: 179901	

Total Revenues \$ 73,700

Appropriations:

Account: 57507 Contract Construction	<u>\$ 73,700</u>
Fund: 22021	
Org Unit: 179901	
ProjID: PC00041	
KRA: 0103011000	

Total Appropriations \$ 73,700

THAT \$1,045,000 of the appropriations set forth in PART III of the Annual Appropriation Resolution No. 2007-214 be and is hereby approved to be reallocated as follows:

Parks Impact Fee Bond Fund

Appropriations:

Account: 57101 Land Acquisition	<u>\$ (1,045,000)</u>
Fund: 30136	
Org Unit: 179901	
ProjID: PC00046	
KRA: 0103011000	

Total Appropriations	<u>\$ (1,045,000)</u>
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Appropriations:

Account: 51101 Permanent Salaries	\$ 10,000
57507 Contract Construction	1,025,000
59117 Overhead	<u>10,000</u>
Fund: 30136	
Org Unit: 179901	
ProjID: PC00041	
KRA: 0103011000	

Total Appropriations	<u>\$1,045,000</u>
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THAT the purpose is to appropriate \$73,700 in rebudgeted state grant funds and reallocate \$1,045,000 in Parks Impact Fee Bond funds to complete funding for the construction of the Dickey Youth Development Center. The bond funding will come from project PC00046, Parks Land Acquisition.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF FRESNO } ss.
CITY OF FRESNO }

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2007

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____, 2007
Mayor Approval/No Return: _____, 2007
Mayor Veto: _____, 2007
Council Override Veto: _____, 2007

REBECCA E. KLISCH
City Clerk
