



REPORT TO COUNCIL

City of Sacramento

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CONSENT
February 9, 2010

Honorable Mayor and
Members of the City Council

Title: Oak Park Community Center - Phase IIB Project (L13000100) (Two-Thirds
Vote Required)

Location/Council District: 3429 Martin Luther King, Jr. Boulevard, District 5

Recommendation: Adopt a **Resolution:** 1) approving the Phase IIB scope of work for the Oak Park Community Center Project; 2) suspending competitive bidding as in the best interest of the City; 3) approving the use of the design-build alternative project delivery method for the project; and 4) appropriating \$348,000 of Community Development Block Grant (CDBG) funds to the Oak Park Community Center Phase IIB Project.

Contact: Yadi Kavakebi, Facilities Superintendent, 808-8432; Dave Mitchell, Operations Manager, Department of Parks & Recreation, 808-6076.

Presenters: Not applicable

Departments: General Services and Parks & Recreation

Division: Facilities & Real Property Management; Children and Family Services

Organization No: 13001541 and 19001641

Description/Analysis:

Issue: During the design phase of the Oak Park Community Center - Phase II project, commercial construction costs were rising at a rapid rate, as they had been doing consistently in the industry for the past several years. Due to these rising costs, the project team performed value engineering work to reduce the scope of the project to keep the project cost within the approved budget. However, by the time the Invitation for Bid was issued for the construction contract, economic and market conditions had changed to such a point that the low bid contract awarded was approximately \$1.2 million less than the construction estimate.

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Approximately \$500,000 of this savings was approved for use by City Council on September 9, 2008 (Resolution No. 2008-615) for scope revisions to the project to add back project components originally deleted through the value engineering process.

This report recommends adding back additional building expansion project components that were deleted through the value engineering process so that the project can be delivered as originally intended, as well as approving site related Americans with Disabilities Act (ADA) improvements.

The estimated cost of the Phase IIB scope of work is \$1.4 million and includes the following:

Building Expansion Related Items:

Design and construction of approximately 2,750 square feet of building structure to be located along the west side of existing multi-purpose facility. This addition will include meeting rooms, a kitchen, men's and women's changing rooms, staff offices and other supportive space.

Site Related Items:

Overall site ADA (American with Disabilities Act) improvements including sidewalks, parking stalls and path of travel leading to various existing building structure.

Combining the ADA site work with the building expansion work will be less disruptive to the community and to the center operations and is anticipated to create savings through the construction process.

Policy Considerations: This project is included in the 2006 Community Reinvestment Capital Improvement Program (CRCIP) approved by City Council on February 7, 2006. The scope of work is consistent with the directives and guidelines of the CRCIP.

Committee/Commission Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): This report recommends revising the scope of work within a previously approved project. The recommendation involves a continuing administrative activity and is not a 'project' in accordance with Section 15378 (b) (2) of the California Environmental Quality Act Guidelines. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: This is a Leadership in Energy and Environmental Design (LEED) Gold project and any new items procured will be evaluated by the project team based on their sustainability value.

Rationale for Recommendation: The savings realized from the construction bid can now be used to fund the project components that were deleted through the value engineering work and allow the project to be delivered as originally designed and be used by the community to its fullest extent.

Suspending competitive bidding is recommended in the best interest of the City to allow the use of the design-build alternative project delivery method. This provides the opportunity to maximize project scope within a limited budget and time. Design-build is a more appropriate delivery method than the design-bid-build method due to the need to tie into a newly completed structure and is consistent with the alternative delivery approaches recommended in the Smith-Culp Report, and adopted by City Council on December 2, 2003 (Resolution No. 2003-853).

Financial Considerations: The recommendations included in this council report do not require funding at this time. Upon approval of these recommendations, staff will proceed with the design-build competitive selection process and return to City Council with a recommendation for contract award.

Minority and Women Business Enterprise (M/WBE): This project is subject to the Minority/Women Business Enterprise (M/WBE) requirements under the U.S. Department of Housing and Urban Development, because the project is being funded with Community Development Block Grant funds. Contractors are required to conduct outreach to M/WBE firms as required by federal regulations 24 CFR 85.36 (e) and 24 CFR 84.44 (b).

Respectfully Submitted by: 
Dave Mitchell
Operations Manager

Respectfully Submitted by: 
Cynthia Kranc
Facilities Manager

Approved by: 
For: Reina J. Schwartz
Director, Department of General Services

Approved by: 
James L. Combs
Director, Parks and Recreation

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

BACKGROUND INFORMATION:

In fall 2003, City Council supported the preparation of the Proposition 40 Urban Parks Act program grant for the Oak Park Community Center - Phase II Project.

On March 29, 2005, City Council adopted Resolution No. 2005-190, accepting a \$3 million grant from the State Department of Parks and Recreation and establishing the Oak Park Community Center - Phase II Project capital improvement project.

On October 11, 2005, City Council adopted Resolution No. 2005-744 authorizing the City Manager to identify projects for a 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. The approved 2006 CRCIP Bond included an appropriation of \$1 million for this project (Resolution 2006-367).

On January 10, 2006, City Council adopted Resolution No. 2006-024 appropriating \$400,000 in Park Development Impact Fees to the Oak Park Community Center - Phase II Project.

In March 2006, a contract was established with the Sacramento Housing and Redevelopment Agency (SHRA) committing \$1.6 million to the Oak Park Community Center - Phase II Project.

On March 25, 2008, City Council adopted Resolution No. 2008-176 approving the construction plans and specifications for the Oak Park Community Center – Phase II Project and awarding a construction contract to John F. Otto in an amount not to exceed \$2,444,222.

On September 9, 2008, City Council adopted Resolution No. 2008-615 approving a revised scope of work for the Oak Park Community Center – Phase II Project to add back project components that had been previously removed through a value engineering process.

On October 27, 2009, City Council adopted Resolution No. 2009-688 approving the SHRA 2010 One-Year Action Plan, which included an appropriation to the Oak Park Community Center Project of \$348,000 in Community Development Block Grant funds.

RESOLUTION NO. 2010-XXXX

Adopted by the Sacramento City Council

February 9, 2010

APPROVING THE OAK PARK COMMUNITY CENTER PROJECT PHASE IIB SCOPE OF WORK; SUSPENDING COMPETITIVE BIDDING AS IN THE BEST INTEREST OF THE CITY; APPROVING THE USE OF DESIGN-BUILD PROJECT DELIVERY METHOD; APPROPRIATING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE OAK PARK COMMUNITY CENTER PROJECT (L13000100)

BACKGROUND

- A. The Oak Park Community Center Phase II Project realized a savings from the construction bid that can now be used to fund building expansion components of the original project design that were deleted through value engineering work, and allow the project to be delivered as originally designed and be used by the community to its fullest extent.
- B. City Code Chapter 3.60.170 allows the City Council to suspend competitive bidding when it finds, by a two-thirds vote, that suspending competitive bidding is in the best interest of the City. Suspending competitive bidding is in the best interest of the City to allow the use of the design-build alternative project delivery method. This provides the opportunity to maximize project scope within a limited budget and time. Design-build is a more appropriate delivery method than the design-bid-build method due to the need to tie into a newly completed structure and is consistent with the alternative delivery approaches recommended in the Smith-Culp Report, and adopted by City Council on December 2, 2003 (Resolution No. 2003-853).
- C. On October 27, 2009, City Council adopted Resolution No. 2009-688 approving the SHRA 2010 One-Year Action Plan, which included an appropriation to the Oak Park Community Center Project of \$348,000 in Community Development Block Grant funds.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Phase IIB scope of work is approved for the Oak Park Community Center Project (L13000100).
- Section 2. It is in the best interest of the City to suspend competitive bidding, and competitive bidding is hereby suspended to allow the use of the design-build alternative project delivery method.

Section 3. The design-build alternative project delivery method is approved for the Phase IIB scope of work for the Oak Park Community Center Project (L13000100).

Section 4. Appropriating \$348,000 of Community Development Block Grant funds to the Oak Park Community Center Project (L13000100) is approved.