



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
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**Meeting Date:** 2/22/2011

**Report Type:** Consent

**Title:** 35th Avenue Repair and Fabrication Building (W14004200)(Two-Thirds Vote Required)

**Report ID:** 2011-00138

**Location:** 1391 35th Avenue (District 6)

**Recommendation:** Adopt a Resolution suspending competitive bidding as in the best interest of the City, and approving the use of the design-build alternative project delivery approach for the 35th Avenue Repair and Fabrication Building.

**Contact:** Kirk Thompson, Associate Architect, 808-8431; Yadi Kavakebi, Facilities & Real Property Superintendent, 808-8432; Department of General Services

**Presenter:** None

**Department:** General Services Dept

**Division:** Facility & Real Property Mgmt

**Dept ID:** 13001511

## **Attachments:**

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1-Description/Analysis

2-Background

3-Resolution

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### **City Attorney Review**

Approved as to Form  
Jerry Hicks  
2/9/2011 9:43:23 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
2/4/2011 12:31:49 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Reina Schwartz - 2/8/2011 1:03:06 PM

Assistant City Manager: Patti Bisharat - 2/8/2011 7:34:58 PM



## Description/Analysis

**Issue:** This report recommends using the design-build alternative project delivery approach for the 35th Avenue Repair and Fabrication Building to maximize the project scope within the limited project budget. This approach will result in a Design-Build Guaranteed Maximum Price Contract for construction upon approval by City Council. Suspending competitive bidding is required because the design-build project delivery approach is an alternative to the typical design-bid-build approach in which contractors are selected on the basis of lowest qualified bid. The design-build approach is an industry “best practice” to maximize project scope when working within a limited budget.

**Policy Considerations:** The recommendation in this report is in accordance with City Code Chapter 3.60.170(D) by providing the City Council an option to suspend competitive bidding with a two-thirds vote when City Council determines that doing so is in the best interest of the City, and the City’s Strategic Plan goal to achieve sustainability and livability by improving services to the local community.

## Environmental Considerations:

**California Environmental Quality Act (CEQA):** The proposed project is consistent with Categorical Exemption State Class 32, Section No. 15332 submitted to the County Recorder by the Community Development Department on December 3, 2010.

**Sustainability:** None

**Commission/Committee Action:** None

**Rationale for Recommendation:** Suspending competitive bidding is required because the design-build project delivery approach is an alternative to the typical design-bid-build approach in which contractors are selected on the basis of lowest qualified bid. The design-build approach is an industry “best practice” to maximize project scope when working within a limited budget.

A Request for Qualifications (RFQ) selection process has been designed to allow design and construction teams an opportunity to develop proposals that will maximize project scope within the available funds. The selected team will be awarded a design-build contract to complete the project design and provide a Guaranteed Maximum Price (GMP) for construction. The GMP will be validated before finalizing the negotiated contract. Staff will return to City Council for authorization to execute the design-build contract, which will include the GMP.

**Financial Considerations:** Sufficient funding is available in the project budget in the Water Fund (Fund 6005), Sewer Fund (Fund 6006), and the Storm Drainage Fund (Fund 6011) to complete the selection of the design-build team, complete the project design and construct the facility.

**Emerging Small Business Development (ESBD):** At this time no goods or services are being purchased as a result of this report.



## Background

On September 2, 2008, the City Council rejected bids for construction of a new fabrication building at the Combined Waste Water Treatment Plant because the bids exceeded the project budget. City Council directed staff to look at opportunities to reduce the building cost and further evaluate the project requirements. The Department of General Services has been working with Department of Utilities' staff to develop options for completion of the project within the available funding.

The bid documents developed by Department of Utilities identify the need to relocate and reuse the existing metal building, currently housing metal repair and fabrication operations. This relocated building would serve as a parts and equipment storage building. A new fabrication building would be installed adjacent to the existing warehouse building to enhance the efficiency of the pump fabrication and repair operations.

The proposed project scope involves the design and construction of a new 13,000 square foot metal building that includes: a mechanical ventilation system; fire sprinklers and a new bridge crane to provide as much flexibility as possible to the Plant Services staff within the available budget. The design-build approach for this project will follow recognized industry guidelines established by the Design-Build Institute. Staff will be utilizing an RFQ process for the selection of a design-build team. This selection process will allow teams of design professionals and contractors to submit qualifications, experience, previous design-build projects, funding capacity, public building experience, claims history and additional significant information as part of the RFQ selection process.

Submittals will be evaluated by an independent selection committee in order to shortlist a limited number of firms. Shortlisted firms will be requested to submit a GMP based on the City's preliminary project design, available funds and detailed scope of work. The submittals will be reviewed by the selection committee and the highest ranking firm will be selected based on the firm's qualifications, detailed project scope, design clarification and other additional documentation as to how their project approach would meet or exceed the City's needs while addressing sustainability and long term maintainability.

After determining the highest ranking firm, staff will return to City Council for authorization to execute the design-build contract, which will include the GMP.

# RESOLUTION NO. 2011-XXXX



Adopted by the Sacramento City Council

February 22, 2011

## **APPROVE THE USE OF THE DESIGN-BUILD PROJECT DELIVERY APPROACH FOR THE 35TH AVENUE REPAIR AND FABRICATION BUILDING (W14004200) – (TWO-THIRDS VOTE REQUIRED)**

### **BACKGROUND**

- A. Suspending competitive bidding is required because the design-build project delivery approach is an alternative to the typical design-bid-build approach in which contractors are selected on the basis of lowest qualified bid. The design-build approach is an industry “best practice” to maximize project scope when working within a limited budget.
- B. The recommendation in this report is in accordance with City Code Chapter 3.60.170(D) by providing the City Council an option to suspend competitive bidding with a two-thirds vote when City Council determines that doing so is in the best interest of the City

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

- Section 1. 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 approach for the 35<sup>th</sup> Avenue Repair and Fabrication Building (W14004200).