



REPORT TO COUNCIL

City of Sacramento

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CONSENT
March 20, 2007

Honorable Mayor and
Members of the City Council

Title: Valley Hi-North Laguna Library (QA36) - Authorization to Use Design-Assist Project Delivery Method (Two-Thirds Vote Required)

Location/Council District: Southwest corner of Bruceville and Cotton Lane, District 8

Recommendation: Adopt a **Resolution:** 1) Suspending competitive bidding in the best interests of the City; and 2) authorizing the City Manager or his designee to implement a qualification and selection process to hire a contractor for the Valley Hi-North Laguna Library.

Contacts: Jeff Blanton, Associate Architect, 808-8423; Cynthia Kranc, Facilities Manager, 808-2258

Presenter: Not Applicable

Department: General Services

Division: Facilities and Real Property Management

Organization No: 3282

Description/Analysis

Issue: City Code Section 3.60.170 requires all construction projects be awarded by competitive bidding unless the City Council, by two-thirds vote, finds that the suspension of competitive bidding is in the best interests of the City. This project was included in the approved 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. Staff is recommending that the City Council approve a Design-Assist approach for delivery of this project.

The Design-Assist project delivery method has proven to be successful in delivering construction projects on schedule and within budget. By allowing the contractor to work closely with the design team, construction details, methods of construction, and constructability reviews are worked out early and it is a faster delivery method than design-bid-build. This provides a smoother construction environment and reduces the potential for change orders.

The Design-Assist approach establishes a selection process that would begin with a Request for Proposal (RFP). A selection committee would short-list up to three contractors. A Guaranteed Maximum Price (GMP) would be included in their proposal and be opened after the committee selects the most qualified contractor. The selected contractor will be brought forward to the City Council for approval.

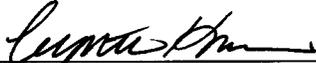
Policy Considerations: This action is consistent with City Code Title 3, Chapter 3.60.170(D) by providing the City Council with an option to find, by a two-thirds vote, that the suspension of competitive bidding is in the best interests of the City. This project is consistent with the City's Strategic Plan goal to achieve sustainability and livability, but improve and expand services to the local community.

Environmental Considerations: Supporting a Design-Assist approach does not constitute a "project" and is therefore exempt from the California Environmental Quality Act (CEQA) according to Section 15601(b) (3) of the CEQA guidelines. Environmental review will be completed prior to award of any construction contracts related to this project.

Rationale for Recommendation: The Design-Assist delivery approach provides the opportunity to maximize project scope within a limited budget. It is a faster delivery method than design-bid-build and is consistent with the alternative delivery approaches mentioned in the Smith Culp Report completed in February 2003. The Design-Assist approach could evolve into a GMP proposal that would require waiver of competitive bidding. The Design-Assist project delivery method has also proven to be successful in delivering construction projects on schedule and within budget.

Financial Considerations: In 2006, the City Council approved the Community Reinvestment Capital Improvement Program (CRCIP), which included a \$16 million budget for this project. This Resolution suspending competitive bidding does not require any funds. Sufficient funding is available within the QA36 to complete selection of the Design-Assist team.

Emerging Small Business Development (ESBD): The selection of consultants and contractors for this project will follow City established guidelines for inclusion of ESBD firms.

Respectfully Submitted by:  _____
Cynthia Kranc
Facilities Manager

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

Recommendation Approved:


for Ray Kerridge
City Manager

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BACKGROUND INFORMATION

- On October 11, 2005, City Council authorized the City Manager to identify projects for a 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. This project was included in the approved 2006 CRCIP bond issuance and is funded with non-taxable bond dollars, which requires project completion by June 2009.
- On September 22, 2006, the City of Sacramento received ten requests for qualifications (RFQ) submittals.
- Four firms were short-listed and on October 10, four design teams were interviewed. The selection committee chose the Noll & Tam Architects.
- On January 23, 2007 City Council approved the Architectural agreement with Noll & Tam.
- The project consists of a new 20,000 square foot Library.
- The Design-Assist method is a faster delivery method than design-bid-build and will have the following parameters:
 - The contractor will work closely with the City consultants so as to minimize the level of design drawings to only those needed to get competitive pricing.
 - Noll & Tam Architects will produce drawings and specifications grouped into phases which will allow the contractor to commence construction on the underground, utilities, demolition, and site improvements well before building drawings are ready to be bid.
 - The contractor will bid the phased drawings directly to the subcontracting community following City bidding practices.
 - The contract will be limited to a guaranteed maximum price before a Notice to Proceed is issued for each phase.
 - The general contractor's fee and general condition costs will be set before the Design-Assist contract is awarded.
- Staff will return with a recommended contractor after the selection panel has made its recommendation.

RESOLUTION NO.

Adopted by the Sacramento City Council

MARCH 20, 2007

**SUSPEND COMPETITIVE BIDDING AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO IMPLEMENT A TWO-STEP QUALIFICATION AND SELECTION PROCESS TO HIRE A DESIGN-ASSIST TEAM TO COMPLETE CONSTRUCTION OF THE VALLEY HI-NORTH LAGUNA LIBRARY (QA36)
(TWO-THIRDS VOTE REQUIRED)**

BACKGROUND

- A. On October 11, 2005, City Council authorized the City Manager to identify projects for a 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. This project was included in the approved 2006 CRCIP bond issuance and is funded with non-taxable bond dollars, which requires project completion by June 2009.
- B. Chapter 3.60.170 of the City Code allows the City Council to suspend competitive bidding when it finds, by a two-thirds vote, that suspension is in the best interests of the city.
- C. Prior to release of any solicitation for design assist services, staff is requesting Council approval to proceed with the Design-Assist approach. The Design-Assist approach will ultimately result in a Guaranteed Maximum Price proposal that would require waiver of competitive bidding.

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

- Section 1. Competitive bidding is hereby suspended as it is in the best interests of the City for the construction of the Valley Hi-North Laguna Library.
- Section 2. The City Council authorizes the City Manager or his designee to implement a qualification and selection process to hire a contractor for the Valley Hi-North Laguna Library.