



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 17-0367, Version: 1

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW17-05 for the Sunnyvale Community Center, Finding of CEQA Categorical Exemption, Amend an Existing Design/Construction Support Contract, and Approve Budget Modification No. 41 in the Amount of \$1,744,900

REPORT IN BRIEF

Approval is requested for the following items related to infrastructure repairs at the Sunnyvale Community Center:

- Award a construction contract in the amount of \$5,150,000 (base bid of \$5,100,000 and a \$50,000 additive alternate) to Agbayani Construction Corporation of Daly City;
- Approve a 15% construction contingency in the amount of \$772,500;
- Amend an existing contract with Cody Anderson Wasney for additional engineering services during construction, increasing the not-to-exceed value by \$58,787;
- Approve a 10% contract contingency in the amount of \$5,879 for the engineering services during construction;
- Approve Budget Modification No. 41 in the amount of \$1,744,900 to provide additional capital project funding; and
- Make a finding of California Environmental Quality Act (CEQA) categorical exemption.

EXISTING POLICY

Section 1309 of the City Charter requires public works construction contracts to be awarded to the lowest responsive and responsible bidder.

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a Class 1 categorical exemption pursuant to CEQA Guidelines Section 15301 for maintenance or repair of existing facilities involving negligible or no expansion of use beyond which presently exists.

BACKGROUND AND DISCUSSION

In 2012, a comprehensive assessment of existing conditions of HVAC systems, roofs, fire and life safety, and code compliance was completed for several buildings at the Sunnyvale Community Center complex. These buildings included the Indoor Sports Center, Recreation Building, Performing Arts Center, and the Creative Arts Center. The assessment allowed the City to determine priorities

for years of deferred maintenance and code compliance updates in advance of proceeding to the design phase of the renovation project.

After evaluating the existing conditions, the City contracted with Cody Anderson Wasney Architects Inc. pursuant to a Request for Proposals (RFP) process to prepare the construction contract documents and provide services during construction (RTC No. 14-0450, May 20, 2014). The contract was awarded in the amount of \$685,983, plus a 10% contingency for \$68,598. The architects began work in June 2014.

The scope of the construction includes building code related concerns such as: accessibility, life safety, fire alarm, and indoor signage. The scope also resolves deferred maintenance issues such as HVAC, roof, and water damage to structures; performs limited building enhancements such as replacing finishes and lighting in the Recreation Building lobby, ballroom and Creative Arts Center lobby; and constructs new finishes in the Recreation Building Community Room. Due to rapidly escalating construction costs throughout the design period, certain elements were removed from the scope at the Theater Building which include house door quiet-closers, dance studio restroom addition, and concession counter renovation.

During the building permit review two items were identified as necessary to satisfy Building Code accessibility requirements at the Indoor Sports Center, including replacement of the elevator and reconfiguration of the elevator landing. Also, the number of plumbing fixtures in the restrooms had to be increased to meet the building's current occupancy load. These items were not planned as part of the original scope, but they were required to obtain building permits for the project. These additional design elements exceeded the contingency allocated for the contract.

To keep the project moving forward and have least impact to recreation programs and services through construction, the estimated costs in the design contract designated for construction support were used for the additional needed design. An update was provided to Council through the City Manager's Bi-weekly Report on October 28, 2016 (see excerpt contained in Attachment 4). The update discussed these items and stated that a budget modification would be required at construction contract award for the unexpected additional costs of design and construction.

An amendment to Cody Anderson Wasney's contract is needed in the amount of \$58,787 to replenish the construction support funds for the consultant which were utilized to complete design. A 10% contingency is also requested on this amount to cover any unforeseen design work which the consultant may need to address during construction.

The construction project was advertised for competitive bidding in February 2017 with bids due March 15. Seven general contractors requested bid documents, with three bids being received. The lowest responsive and responsible bid was submitted by Agbayani Construction Corporation. The Bid Summary is contained in Attachment 1.

An additive alternate was prepared as part of the bid package for the replacement of Theater house lights to light emitting diode (LED) technology. The cost of the additive alternate is approximately 1% of the cost of the construction project. Staff feels that it is worthwhile to include the alternate in the final construction contract so work can occur while the other building renovations are in progress this summer.

A fifteen percent construction contingency is being requested for this project. A contingency higher than the customary 10% is recommended due to a higher risk of unknown and unforeseen conditions that are inherent to renovations of older facilities. Due to the age of the facility there is potential for extra work required by the contractor once demolition begins.

A budget modification in the amount of \$1,744,900 is being requested from the Park Dedication Fund (PDF) to cover the additional consultant contract and construction costs necessary to complete the project. The budget modification is required for additional funding to cover the significant project escalation that has occurred since the project was initially budgeted in 2012, as well as the additional scope required to obtain building permits. Staff has analyzed the PDF over the 20-year budget and sufficient funds are available to accommodate this request.

An additional \$4.7 million is being requested in the FY 2017/18 Recommended Budget for more renovations needed to these facilities. That work is budgeted to begin design in FY 2026/27 with construction the following year.

FISCAL IMPACT

Currently \$5,172,434 is budgeted to Project 829190 - Community Center Infrastructure Project and approximately \$755,441 has been expended leaving a current balance of \$4,416,993 (shown in the table below). An additional \$1,744,900 is necessary to fund the contract award and contingencies necessary in this report.

Budget Modification No. 41 has been prepared to appropriate Park Dedication Fund funds in the amount of \$1,744,900 to fully fund the construction contract discussed above (Project 829190 - Community Center Infrastructure Project).

Budget Modification No. 41 FY 2016/17

	Current	Increase/ (Decrease)	Revised
<u>Park Dedication Fund</u>			
<u>Reserves</u>			
Capital Projects Reserve	\$32,104,842	(\$1,744,900)	\$30,359,942
<u>Transfers Out</u>			
Transfer to the Infrastructure Renovation and Replacement Fund (Project 829190 - Community Center Infrastructure Project)	\$4,416,993	\$1,744,900	\$6,161,893
<u>Infrastructure Renovation and Replacement Fund</u>			
<u>Transfers In</u>			

Transfer from Park Dedication Fund (Project 829190 - Community Center Infrastructure Project)	\$4,416,993	\$1,744,900	\$6,161,893
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Expenditures

Project 829190 - Community Center Infrastructure Project	\$4,416,993	\$1,744,900	\$6,161,893
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PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Make a finding of CEQA categorical exemption pursuant to Class 1 categorical exemption pursuant to CEQA Guidelines Section 15301 for maintenance or repair of existing facilities involving negligible or no expansion of use beyond which presently exists; 2) approve Budget Modification No. 41 to provide \$1,744,900 in additional project funding; 3) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$5,150,000 to Agbayani Construction Corporation for infrastructure repairs and renovations at the Sunnyvale Community Center, and authorize the City Manager to execute the contract when all necessary conditions have been met; 4) approve a 15% construction contingency in the amount of \$772,500; 5) authorize the City Manager to execute an amendment to an existing contract with Cody Anderson Wasney Architects for design/construction support services, adding \$58,787 and increasing the not-to-exceed value from \$685,983 to \$744,770, in substantially the same format as Attachment 3 to the report; and 6) approve a 10% contract contingency in the amount of \$5,879.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Cynthia Bojorquez, Director of Library and Community Services

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract
3. Draft Amendment to Agreement
4. Excerpt from City Manager's Blog