



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW17-31 for the Golf Buildings Renovations Project, Finding of California Environmental Quality Act (CEQA) Categorical Exemption, and Approve Budget Modification No. 6 in the Amount of \$113,121

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$674,000 (base bid and no additive alternatives) to CWS Construction Group, Inc. of Novato, for the Golf Buildings Renovations Project. Approval is also requested for a 15% construction contingency in the amount of \$101,100.

EXISTING POLICY

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

ENVIRONMENTAL REVIEW

The project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 because the project involves the maintenance or repair of existing facilities involving negligible or no expansion of use beyond that presently existing.

BACKGROUND AND DISCUSSION

The purpose of the Golf Building Renovation Project at Sunnyvale Golf Course is to renovate the entrance ramp (for Americans with Disabilities Act (ADA) compliance) to the second-floor restaurant and the downstairs restrooms. Aging infrastructure is a major factor in the need for the project. Since the restaurant and restrooms are a part of the building structure, renovation is more cost effective than replacing. The Golf Buildings Renovations Project is within an ongoing CIP that allocates funding to repair/renovate existing Golf building components at both City's Golf courses to bring them up to compliance with current building codes and ADA requirements.

Maintenance improvements are identified by Public Works Golf Operations to meet the expectations of providing a safe and well maintained facility. This project includes restrooms that will be renovated/modernized and will receive new cost effective energy and water efficient fixtures, plumbing, paint, and new tiles/floors. The existing ramp will be renovated to provide safe access to the second-floor restaurant and meet ADA requirements.

FISCAL IMPACT

The total cost of the recommendation is \$775,100 which consists of the base bid in the amount of \$674,000 and a 15% construction contingency in the amount of \$101,100. Funding in the amount of \$661,979 is available for this project in Project 828400 - Golf Buildings Renovations, as reflected in

the table below. This project is funded in the Infrastructure Renovation and Replacement Fund through park dedication fees.

A previous City Council provided direction that no future additional Park Dedication Fund funding would be used for the golf courses and tennis center beyond those items that were already in the budget (RTC No. 11-082). In order to award the project, Budget Modification No. 6 is recommended to provide sufficient funds to award the project at Sunnyvale Golf Course using available Park Dedication Fee funding. Alternatively, the City Council may direct staff to fund the variance from the General Fund or to defund another project to provide sufficient funds to award the project. However, staff is recommending Park Dedication Funding in order to preserve funds in the General Fund Budget Stabilization Fund. In fact, as stated during the FY 2017/18 budget presentations, the projected FY 2018/19 Budget Stabilization Fund will only remain compliant with Council Policy with the implementation of one-time expenditure savings, receipt of one-time revenues, or use of other reserves.

The Council held a Study Session in 2015 to discuss the long-term options for the golf course, financial implications, and need for future infrastructure. As part of the Study Session staff anticipated future operational subsidies and unfunded capital infrastructure. With increased costs and continued decreases in golf patronage, the subsidies have increased at a faster rate than originally estimated. Staff is proposing to have another Study Session in November/December to further discuss current conditions and future options.

**Budget Modification No. 6
FY 2017/18**

	Current	Increase/ (Decrease)	Revised
Infrastructure Renovation and Replacement Fund			
<u>Transfers In</u>			
Transfer from Park Dedication Fund (Project 828400-Golf Buildings Renovations)	\$661,979	\$113,121	\$775,100
<u>Expenditures</u>			
Project 828400-Golf Buildings Renovations	\$661,979	\$113,121	\$775,100
Park Dedication Fund			
<u>Transfers Out</u>			
Transfer to Infrastructure Renovation and Replacement Fund (Project 828400-Golf Buildings Renovations)	\$661,979	\$113,121	\$775,100
<u>Reserves</u>			
Capital Projects Reserve	\$18,797,137	(\$113,121)	\$18,684,016

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.

ALTERNATIVES

1. Make a finding of a California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines Section 15301 for the maintenance or repair of existing facilities involving negligible or no expansion of use beyond which presently exists;
2. Award a contract in substantially the same form as Attachment 2 to the report in the amount of \$674,000 to CWS Construction Group, Inc. for Golf Buildings Renovations Project (PW17-31) at the Sunnyvale Golf Course and authorize the City Manager to execute the contract when all necessary conditions have been met;
3. Approve a 15% construction contingency in the amount of \$101,100;
4. Approve Budget Modification No. 6 in the amount of \$113,121 with funding from the Park Dedication Fund.
5. Approve Budget Modification No. 6 in the amount of \$113,121, with funding from the General Fund Budget Stabilization Reserve
6. Approve Budget Modification No. 6 by defunding another Park Dedication Fund project to provide sufficient funds for the project award.

STAFF RECOMMENDATION

Alternatives 1, 2, 3, and 4: 1) Make a finding of a California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines Section 15301 for the maintenance or repair of existing facilities involving negligible or no expansion of use beyond which presently exists; 2) award a contract in substantially the same form as Attachment 2 to the report in the amount of \$674,000 to CWS Construction Group, Inc. for Golf Buildings Renovations Project (PW17-31) at the Sunnyvale Golf Course and authorize the City Manager to execute the contract when all necessary conditions have been met; 3) approve a 15% construction contingency in the amount of \$101,100; and 4) approve Budget Modification No. 6 in the amount of \$113,121 with funding from the Park Dedication Fund.

Prepared by: Gregory Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

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