

City of Sacramento

Legislation Text

File #: 2020-00139, **Version:** 1

Title:

Suspend Competitive Bidding and Supplemental Agreement: Broadway/Alhambra Navigation Center (C15001100) (Two-Thirds Vote Required)

File ID: 2020-00139

Location: 2970 X Street, District 5

Recommendation:

Pass a Motion by two-thirds vote: 1) suspending competitive bidding in the best interests of the City and authorizing use of an alternative procurement method for selection of the construction contractor for the Broadway/Alhambra Navigation Center Project (C1501100); 2) authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 1 to Contract No. 2020-0110 with Zenith Engineers, Inc. for design and construction management of the Broadway/Alhambra Navigation Center Project in an amount not to exceed \$65,000, for a revised total contract amount not to exceed \$149,975; and 3) resetting the City Manager's authority to issue supplemental agreements for Contract No. 2020-0110.

Contact: Mark C. Brown, Supervising Engineer (916) 808-7118; James Christensen, Facilities Manager (916) 808-5863, Department of Public Works

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Supplemental Agreement No. 1 with Zenith Engineers, Inc.

Description/Analysis

Issue Detail: On August 27, 2019, City Council passed a Motion approving Addendum No. 1 to the Homeless Services Funding plan, which established priorities for funding of navigation centers and other services for people experiencing homelessness. This plan included the design and construction of the Broadway/Alhambra Navigation Center located at 2970 X Street ("Broadway/Alhambra Center").

On December 10, 2019, to streamline the design and construction process for the Broadway/Alhambra Center, City Council adopted Resolution No. 2019-0467, suspending competitive bidding and authorizing use of the design-build delivery model for design and construction of the Broadway/Alhambra Center, and authorizing a design-build contract with John F. Otto, Inc. dba Otto Construction (“Otto”) for such services in an amount not to exceed \$298,851. The City subsequently executed a design-build contract with Otto (City Agreement No. 2019-1771).

Since that time, staff has identified another consultant, Zenith Engineers, Inc. (“Zenith”), that has recent, relevant experience designing and delivering navigation centers very similar to the Broadway/Alhambra Center. Because of Zenith’s experience and willingness to provide an expedited design schedule, the City executed a professional services agreement with Zenith in January 2020 for the preliminary design of the Broadway/Alhambra Center, with a not-to-exceed amount of \$84,975 (City Agreement No. 2020-0110). The design-build contract with Otto (City Agreement No. 2019-1771) has been terminated.

The scope of services for the Zenith agreement includes design work to get the Broadway/Alhambra Navigation Center project to 50% construction documents. Such preliminary design work will enable the City to provide the required site layout to Caltrans for a lease and subsequent encroachment permit with Caltrans, both of which are required for construction of the Broadway/Alhambra Center because Caltrans owns the property on which the center will be located. City staff are now seeking City Council approval of Supplemental Agreement No. 1 to City Agreement 2020-0110 with Zenith, adding \$65,000 to the agreement so Zenith can complete the design and provide project management throughout construction of the Broadway/Alhambra Center.

As previously noted, Caltrans owns the property proposed for the Broadway/Alhambra Center. The City and Caltrans have engaged in numerous lease discussions, but the City will need to enter into a lease agreement with Caltrans before construction of improvements and operation of a facility on the site can occur.

Policy Considerations: The recommendations in this report is in accordance with the provisions of City Code Chapters 3.56 and 3.64.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The Broadway/Alhambra Navigation Center Project is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) and 15269(c), and Government Code section 65662. The City filed a Notice of Exemption for the project pursuant to Public Resources Code section 21152 and CEQA Guidelines section 15062 on

September 5, 2019.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: Implementation of the Broadway/Alhambra Center is consistent with the priorities set forth by the City Council on August 27, 2019.

Approval of Supplemental Agreement No. 1 to City Agreement No. 2020-0110 with Zenith adding \$65,000 to the agreement allows Zenith to complete the design and provide project management throughout construction of the Broadway/Alhambra Center. Such work then allows the project to remain on track and the Broadway/Alhambra Center to open at the earliest possible opening date.

The Public Works Director approved dispensing with a formal RFP/RFQ process for selection of the design and project management services for the Broadway/Alhambra Center and instead authorized use of an alternate procurement process involving solicitation of informal qualifications from design firms and selection based on the qualifications received. Such process is in the City's best interests because it allowed the City to select a firm with specific experience designing and delivering navigation centers and with capability to provide an expedited delivery schedule.

Designing and constructing the Broadway/Alhambra Center at the same time the City is designing and constructing the Meadowview Navigation Center has proven to be very challenging. During the process, the City has identified contractors that specialize in the erection of sprung structures and constructing navigation centers. Suspending competitive bidding for construction of the Broadway/Alhambra Center is in the best interests of the City because it provides the City with an opportunity to conduct an alternate procurement method involving solicitation of construction pricing from contractors who specialize in sprung structures and navigation centers and who can meet an expedited construction schedule to allow for the earliest possible opening date of the Broadway/Alhambra Center. Staff will return to Council for approval of a construction contract at a future date.

Financial Considerations: Funding of the Broadway/Alhambra Center is consistent with the priorities set forth by the City Council on August 27, 2019. The preliminary budget of \$4,953,000 presented to City Council on August 27, 2019 for design and construction of the Broadway/Alhambra Center has been reduced by \$440,000. The \$440,000 was required to fully fund the Meadowview Navigation Center Project (C15001000). Staff expects that savings from design services, purchasing equipment directly (thus saving contractor markup), and design modifications will provide the required savings to reduce the overall budget for the Broadway/Alhambra Center by \$440,000 to \$4,513,000.

Sufficient funding exists within the Broadway/Alhambra Center Navigation Center Project (C15001100) to execute Supplement Agreement No. 1 to City Agreement No. 2020-0110 in the amount of \$65,000, for a new agreement total amount of \$149,975.

The above-described funding amounts do not include funding for the ongoing operation, maintenance and repairs, or administration costs of the Broadway/Alhambra Center.

Local Business Enterprise (LBE): Zenith Engineers, Inc. is an LBE.