

# City of Sacramento

## Legislation Text

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**File #:** 2020-00133, **Version:** 1

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**Title:**

**Budgetary Adjustment and Cooperative Purchase Agreement: Sprung Structures at Meadowview Navigation Center (C15001000)**

File ID: 2020-00133

**Location:** 2700 Meadowview Road, District 8

**Recommendation:**

Adopt a Resolution: 1) approving use of the U.S. General Services Administration cooperative purchase agreement with Sprung Instant Structures, Inc. (Contract No. GS-07F-089JA) for the purchase of two sprung structures and associated Technical Consultant and Delivery for a total amount not to exceed \$570,295; and 2) authorizing the City Manager or the City Manager's designee to transfer \$440,000 (Measure U Fund, Fund 2401) from the expenditure budget in the Broadway/Alhambra Navigation Center Project (C15001100) to the expenditure budget in the Meadowview Navigation Center Project (C15001000).

**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-Summary of U.S. GSA Cooperative Purchase Agreement No. GS-07F-089JA
- 3-Resolution

**Description/Analysis**

**Issue Detail:** On August 27, 2019, the 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 Meadowview Navigation Center located at 2700 Meadowview Road as the first priority for new projects.

On September 24, 2019, the City Council passed a Resolution (Resolution No. 2019-0366) suspending competitive bidding and authorizing execution of a design-build contract with John F. Otto, Inc. dba Otto Construction (“Otto”) for the Meadowview Navigation Center. The City subsequently executed such design-build contract with Otto in the amount of \$282,297 for pre-construction services, with an option to return to City Council for approval of a Guaranteed Maximum Price (“GMP”) for construction.

On December 10, 2019, the City Council passed a Resolution (Resolution No. 2019-0466) authorizing execution of Contract Supplement No. 1 to City Agreement No. 2019-1673 with Otto Construction with a not-to-exceed amount of \$3,500,000 for construction of the Meadowview Navigation Center. Contract Supplement No. 1 was executed on December 30, 2019 for \$3,325,332. Together with the pre-construction services, the total amount of Otto’s design-build contract is \$3,612,629. Architectural services for the Meadowview Navigation Center will be provided by Zenith, pursuant to Contract No. 2020-0111 in the amount of \$37,000.

Otto’s design-build contract did not include purchase of the two Sprung Structures that will be used to house Meadowview Navigation Center enrollees. The amount needed for the Meadowview Navigation Center project has increased by \$440,000 for a new total amount of \$4,761,200. Accordingly, staff is now requesting authorization to transfer \$440,000 from the Broadway/Alhambra Navigation Center project to fill the funding gap so the Sprung Structures can be purchased for the Meadowview Navigation Center in the amount of \$570,295, and construction can be completed.

Due to past remediation activities on nearby City-owned parcels, and as part of the ongoing site analysis, staff is working with an environmental consultant and the Regional Water Quality Control Board to evaluate any possible environmental conditions or concerns. Appropriate mitigation measures are being incorporated into the design and construction of the Meadowview Navigation Center.

**Policy Considerations:** The recommendations in this report conform with City Council Resolution No. 2019-0402 embracing Housing First principles for City-funded navigation centers and Council Resolution No. 2018-0476 establishing priorities for projects funded through the State of California Homeless Emergency Aid Program (HEAP). The recommendations in this report are also consistent with City Code Section 3.56.240, which states that, where advantageous to the City, the City may utilize cooperative purchasing agreements approved by City Council to purchase supplies or nonprofessional services through legal contracts of other public agencies without separate competitive bidding by the City.

**Economic Impacts:** None

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The Meadowview Navigation Center Project (C15001000) 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:** Creation of the Meadowview Navigation Center is consistent with the priorities set forth by the City Council on August 27, 2019.

After reviewing the available purchase options, the Facilities & Real Property Management Division has determined that the use of GSA Cooperative Purchase Agreement No. GS-07F-089JA with Sprung Instant Structures, Inc. represents the most advantageous purchasing strategy for the City because it allows the City to expedite purchase of the structures so the Meadowview Navigation Center can be opened at the earliest possible opening date.

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. The City has used both regional and national cooperative purchase agreements in the past to complement its own contracting initiatives. Cooperative purchasing enables City departments to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

**Financial Considerations:** Staff recommends transferring \$440,000 from the expenditure budget in the Broadway/Alhambra Navigation Center Project (C15001100) (Measure U Fund, Fund 2401) to the expenditure budget in the Meadowview Navigation Center Project (C15001000).

Sufficient funds are available in the Broadway/Alhambra Navigation Center Project (C15001100) to complete the recommended transfers. Following such transfer of \$440,000, sufficient funds will be available in the Meadowview Navigation Center Project (C15001000) for purchase of the Sprung Structures in the amount of \$528,794.

The Meadowview Navigation Center budget of \$4,761,200 stated above only encompasses design and construction of the Meadowview Navigation Center and does not include funding for the ongoing operation or administrative costs of the Meadowview Navigation Center.

**Local Business Enterprise (LBE):** Sprung Instant Structures, Inc. is not an LBE. The minimum LBE participation requirement is waived for the City's purchase of Sprung Structures from the GSA cooperative purchase agreement Contract No. GS-07F-089JA.