

City of Sacramento

Legislation Text

File #: 2019-00310, **Version:** 1

Title:

Supplemental Agreement for a Guaranteed Maximum Price for the Sacramento Community Center Theater Renovation Project [Published for 10-Day Review 03/14/2019]

File ID: 2019-00310

Location: 1400 J Street, District 4

Recommendation:

Adopt a Resolution: 1) authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 5 to Contract No. 2017-0781 with Kitchell CEM in an amount not to exceed \$72,875,000, for the Guaranteed Maximum Price (GMP) of the construction of the Sacramento Community Center Theater (CCT) Renovation Project, for a new total amount not to exceed \$74,309,532; 2) increasing the City Manager's authority to approve single change orders without Council authorization for City Agreement No. 2017-0781 from \$100,000 to \$500,000, and increasing the cumulative limitation on the City Manager's change order authority to \$10,000,000; and 3) authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 3 to Contract No. 2017-0218 with DLR Group in an amount not to exceed \$1,786,675 for construction administration services of the CCT, for a new total amount not to exceed \$8,996,353.

Contact: Ofelia Avalos, Senior Engineer, (916) 808-5054; Fran Halbakken, Staff Aide/Project Executive, (916) 808-7194; Office of the City Manager

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A - Supplemental Agreement for Construction Services with Kitchell CEM
- 4-Exhibit B - Supplemental Agreement for Professional Services with DLR Group

Description/Analysis

Issue Detail: Staff recommends authorizing the City Manager to execute Supplemental Agreement No. 5 with Kitchell CEM in the amount of \$72,875,000 for the construction of the Sacramento Community Center Theater (CCT) Renovation Project.

The new not-to-exceed amount of the contract has increased from \$1,434,532 for the design, to \$72,875,000 for construction. Staff is requesting an increase to the City Manager's authority from \$100,000 to \$500,000 for approvals of single change orders, as specified in City Code section 3.60.240, and that the cumulative limitation on the City Manager's change order authority be increased to \$10,000,000 with Kitchell CEM (Agreement No. 2017-0781).

On June 20, 2017, City Council approved an agreement with Kitchell CEM to provide design-assist and pre-construction services for the Sacramento Community Center Theater, and to bring a proposal for a GMP for construction to City Council for consideration.

The project will focus on complying with the American with Disabilities Act (ADA), enhancing patron experience through better acoustics, and meeting basic modern operational and performance standards. The project will begin construction in April 2019 and will be completed in April 2021. The facility will reopen for events in September 2020.

Staff is also recommending approval of the supplemental agreement with DLR Group in an amount of \$1,786,675 to provide construction administration services for the CCT project. As the architect on the CCT project, their services will include, but not be limited to: submittal review, request for information responses, attending scheduled construction meetings, review of pay applications, change order preparation and review, commissioning and punch list preparation.

Policy Considerations: The improvements to the Sacramento Convention Center support the following goals and policies of the City's General Plan:

- ERC 4.1.3 City-Owned Resources. The City shall enhance the quality of existing City-owned arts and cultural resources and facilities through reinvestment, communications and marketing.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action.

Economic Impacts: The agreement requires compliance with the recently approved Community Workforce and Training Agreement (CWTA), which will require local hiring and allow for targeted employment opportunities for Sacramento residents.

The CCT project is expected to create 291.50 total jobs (167.61 direct jobs and 123.89 jobs

through indirect and induced activities) and create \$44,995,575.63 in total economic output (\$28,361,055.25 of direct output and another \$16,634,520.38 of output through and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to qualify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the city of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations:

California Environmental Quality Act (CEQA): On April 27, 2010, Council found the Theater Renovation to be exempt from CEQA, citing Section 15302, which provides that projects involving replacement or reconstruction of existing structures and facilities are exempt from CEQA. (Resolution No. 2010-0208).

Sustainability: The CCT project has been designed utilizing energy efficient standards and will reduce the carbon footprint contribution, therefore helping meet the City of Sacramento's sustainability goal. The City is pursuing Leadership in Energy and Environmental Design (LEED) Silver equivalent standard in accordance with City policy LU 8.1.5 LEED Standard for City-Owned Buildings, which requires LEED (Leadership in Energy and Environmental Design) Silver or equivalent standard.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Renovation of the Community Center Theater will address compliance with Americans with Disabilities Act (ADA) requirements, improved patron experience including better sound and acoustics, and improved theater operations and functionality.

Approval of these supplemental agreements are necessary to move forward with the construction phase of the project.

Financial Considerations: With the issuance and allocation of bond proceeds for the Convention Center Complex Project (M17100100), authorized by City Council in September 2018, there will be sufficient funds available for the following agreements.

- Supplemental Agreement No. 5 to Contract No. 2017-0781 for the Guaranteed Maximum Price (GMP), with Kitchell CEM in the amount of \$72,875,000 for the

construction of the CCT, bringing the new total not-to-exceed amount to \$74,309,532.

- Supplemental Agreement No. 3 to Contract No. 2017-0218 with DLR Group for an amount not to exceed \$1,786,675 for construction administration services of the CCT, bring the new total not-to-exceed amount to \$8,996,353.

Local Business Enterprise (LBE): The contractor, Kitchell CEM, Inc. is a local business enterprise. The architect, DLR Group is an LBE firm.