

City of Sacramento

Legislation Text

File #: 2020-00720, **Version:** 1

Title:

Supplemental Contracts for the SAFE Credit Union Convention Center and Performing Arts Center District Renovation and Expansion Project (M17100100)

File ID: 2020-00720

Location: District 4, 1400 J Street and 1301 L Street

Recommendation:

Pass a Motion: 1) authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 8 (Contract No. 2017-0634-8) to Contract No. 2017-0634 with Populous, Inc. for a not-to-exceed amount of \$101,764, bringing the total contract amount to \$14,378,718 for the SAFE Credit Union Convention Center (CC) Renovation and Expansion Project; 2) resetting the City Manager's authority to issue supplemental agreements for Contract No. 2017-0634; 3) authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 2 (Contract No. 2019-0695-2) to Contract No. 2019-0695 with ADR Environment Group, Inc. for a not-to-exceed amount of \$61,980, bringing the total contract amount to \$218,200 for the SAFE Credit Union Performing Arts Center (PAC) Renovation Project; 4) resetting the City Manager's authority to issue supplemental agreements for Contract No. 2019-0695; 5) authorizing the City Manager or the City Manager's designee to execute Supplemental Contract No. 2 to Contract No. 2018-1623 with O'Conner Construction Management, Inc. (OCMI) for a not-to-exceed amount of \$237,351, bringing the total contract amount to \$2,907,782 for the PAC Renovation Project; 6) resetting the City Manager's authority to issue supplemental contracts for Contract No. 2018-1623; 7) authorizing the City Manager or the City Manager's designee to execute Supplemental Contract No. 2 to Contract No. 2018-1622 with OCMI for a not-to-exceed amount of \$294,342, bringing the total contract amount to \$3,991,230 for the CC Renovation and Expansion Project; 8) resetting the City Manager's authority to issue supplemental contracts for Contract No. 2018-1622; and 9) approving the use of the OMNIA Cooperative Purchase Contract No. 2020000622 with Miles Treaster & Associates for the purchase of Herman Miller furnishing and the installation in an amount not-to-exceed \$325,468.

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

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Supplemental Contract 8_Populous_CC
- 3-Supplemental Contract 2_ADR_PAC
- 4-Supplemental Contract 2_OCMI_PAC
- 5-Supplemental Contract 2_OCMI_CC
- 6-MTA Herman Miller Contract
- 7-Exhibit-OMNIA Co-Op Herman Miller Contract #2020000622

Description/Analysis

Issue Detail: The renovation and expansion of the SAFE Credit Union Convention Center (CC) is needed not only to modernize and improve the facility but also to accommodate, retain, and attract existing and new convention and event business, as well as generate additional transient occupancy tax (TOT) revenue. Renovation of the SAFE Credit Union Performing Arts Center (PAC) will address former issues the building had with compliance with Americans with Disabilities Act (ADA) and it will improve the patron experience, including better sound and acoustics, theater operations and functionality. These renovations will address longstanding deficiencies and enable the building to host more events in the future. Approval of these supplemental contracts are necessary to allow the projects to move forward with the additional design work, construction management and environmental site overview.

Supplemental Contract No. 8 with Populous, Inc. for a not-to-exceed amount of \$81,524, compensates the architect for design work related to scope that required further design and coordination of the digital antenna system (DAS) and the terminal air units (TAU), for work related to changes to the offsite improvement plans, for design work on a plaza monument sign, for revisions to the directional pylons and exterior signs and for added scope to accommodate new SAFE Credit Union ATM machines.

Supplemental Contract No. 2 with ADR Environmental Group, Inc. for a not-to-exceed amount of \$61,980 will compensate the consultant for continued monitoring and testing required by state and federal regulations, as well as perform additional respirable silica air monitoring for the PAC Project.

Supplemental Contracts No. 2 with O'Conner Construction Management, Inc. for both the CC and PAC construction projects will allow the inspectors to work overtime to meet the needs of the aggressive schedules for both projects, will add an administrative assistant to assist with document control and increase the needed special inspections and labor compliance monitoring.

The items from Miles Treaster & Associates via the OMNIA cooperative purchase contract are part of the furnishings and workstations identified by our architectural team required to open the renovated CC. Using this existing citywide contract will allow consistency in the products purchased and the installation by certified installers, which will guarantee the new workstations and furnishings needed in the new building.

Policy Considerations: The improvements to the CC and PAC 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.
- ERC 4.1.5 The city shall support renovation and expansion of CC facilities and adjacent supportive infrastructure, including hotels, to attract top tier national and international events.

The renovation and expansion of the CC will allow the facility to remain attractive and competitive in the future, while providing a nationally recognized convention venue for residents, visitors and convention attendees. It is also anticipated to generate increased transient occupancy tax (TOT) revenues as more events will likely lead to more hotel night stays and may generate the need for additional hotel development in the downtown core.

Economic Impacts: The CC and PAC construction contracts require compliance with the approved Community Workforce and Training Agreement (CWTA), which require local hiring and allow for targeted employment opportunities for Sacramento residents.

In addition, an analysis was prepared by Halo Hospitality with assistance from Visit Sacramento to look at the potential effect of the project on additional event growth and hotel room night demand. Based on that analysis, which assumed an additional 350-room hotel, The Sawyer hotel, and other proposed downtown hotel projects in the market built post expansion, the SCC expansion would within five years result in an estimated increase in occupancy from 48% to 62% assuming an additional 350-room hotel is constructed in the downtown. In addition, the estimated number of Group A events (i.e., citywide conventions that generate significant hotel demand and drive economic impact) would increase from an average of about 36 events currently to 61 events by 2025. This would result in an estimated annual increase of over 150,000 new hotel room nights.

Total annual additional revenue generated is estimated at over \$22 million and approximately \$2.7 million in new TOT revenue would be generated based on their estimates.

Environmental Considerations:

California Environmental Quality Act (CEQA): In accordance with CEQA, the City, as "lead

agency”, determined that an Environmental Impact Report (EIR) should be prepared for the CC Renovation and Expansion Project. On June 19, 2018, City Council approved Resolution No. 2018-0252 certifying the Environmental Impact Report and Mitigation Monitoring Plan for the CC Renovation and Expansion Project.

On April 27, 2010, City Council found the PAC Renovation Project 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 CC project will be 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 certification with the U.S. Green Building Council for the CC Renovation and Expansion Project 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.

The PAC project will be designed in accordance with City policy LU 8.1.5 and will meet the LEED Silver equivalent standards.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Approval of Supplemental Contract No. 8 with Populous, Inc, Supplemental Contract No. 2 with ADR Environmental Group, Inc. for the PAC, and Supplemental Contracts No. 2 with O’Conner Construction Management, Inc. for both the CC and PAC are necessary to move forward with the completion of construction for the Convention Center Complex.

After reviewing the available purchase options, as a project team and in collaboration with Procurement services, it has been determined that using the cooperative purchase agreement with OMNIA and Miles Treaster & Associates represents the most advantageous and cost effective purchasing strategy. The contract was competitively bid, and OMNIA receives greater discounts from the manufacturer due to higher purchase volume than the City would receive if issuing its own bid. Additionally, Miles Treaster & Associates operates locally in Sacramento and would be the dealer and installer for the project.

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 capital 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. Utilization of this national

cooperative contract for this purchase will leverage internal and external resources to maximize cost savings opportunities for the City.

Financial Considerations: There is sufficient funding in the Convention Center Complex Renovation Project (M17100100) to execute the following agreements:

- Supplemental Contract No. 8 to Contract No. 2017-0634 with Populous, Inc. for a not-to-exceed amount of \$101,764, bringing the total contract amount to a new not-to-exceed amount of \$14,378,718.
- Supplemental Contract No. 2 to Contract No. 2019-0695 with ADR Environmental Group, Inc. for a not-to-exceed amount of \$61,980, bringing the total contract amount to a new not-to-exceed amount of \$218,200.
- Supplemental Contract No. 2 to Contract No. 2018-1623 with O'Conner Construction Management, Inc. for a not-to-exceed amount of \$237,351 which will bring the agreement to a new not to exceed amount of \$2,907,782 for the PAC Renovation Project.
- Supplemental Contract No. 2 to Contract No. 2018-1622 with O'Conner Construction Management, Inc. for a not-to-exceed amount of \$294,342 which will bring the agreement to a new not to exceed amount of \$3,991,230 for the CC Renovation and Expansion Project.
- The recommended cooperative purchase via the contract no. 202000622 with OMNIA in an amount not-to-exceed \$325,468.

Local Business Enterprise (LBE): ADR Environmental Group, Inc. is a local business enterprise, however, the architect, Populous, Inc. is not an LBE.

While the minimum LBE participation requirement is waived for the City's use of cooperative purchase agreements that have been competitively bid, evaluated and awarded by other governmental agencies that may or may not have similar LBE programs, it should be noted that Miles Treaster & Associates has operated in Sacramento since 1958.