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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

927 10TH STREET
SACRAMENTO, CA
95814-2702

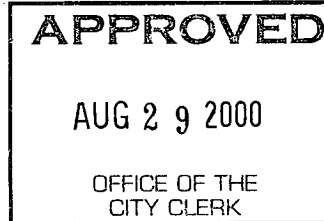
TECHNICAL SERVICES
DIVISION

PH 916-264-8300
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August 14, 2000

City Council
Sacramento, California

AG 2000-127



Honorable Members in Session:

SUBJECT: RESOLUTIONS AUTHORIZING AN ALTERNATIVE BIDDING METHOD FOR THE CITY ADMINISTRATION BUILDING; AUTHORIZING THE CITY MANAGER TO EXECUTE A DESIGN AND DEVELOPMENT AGREEMENT WITH DAVID TAYLOR INTERESTS, INC.; AND AUTHORIZING REIMBURSEMENT OF CERTAIN PROJECT EXPENDITURES FROM FUTURE BOND PROCEEDS

LOCATION AND COUNCIL DISTRICT: 990 H Street, Council District 1

RECOMMENDATION:

This report recommends the City Council adopt the attached resolutions to:

- Suspend competitive bidding as authorized by the City Charter and City Code with a two-thirds vote. Authorize City staff to engage in an alternative competitive procedure utilizing a Request for Proposals from qualified consultants.
- Accept the proposal from David Taylor Interests, Inc. for programming, design and construction of the Government Center project (Administration Building).
- Authorize the City Manager to execute a Design-Development Agreement with David Taylor Interests, Inc. for a sum not to exceed \$37,653,790 for programming, design, development and construction of the Government Center project with the stipulation that the City's total obligation to David Taylor Interests, Inc. prior to completion of the environmental review is limited to \$1,900,000 for design work needed to define basic project concepts.
- Increase appropriations for the project and identify supporting resources.
- Adopt the Sacramento City Finance Authority attached resolution for reimbursement of expenditures advance from City funds from bond proceeds.

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Building and Contract with David Taylor Interests, Inc
August 14, 2000

CONTACT PERSON: Bob Williamson, Project Manager, 264-8430

FOR COUNCIL MEETING OF: August 29, 2000

SUMMARY:

The Government Center project (Administration Building - BB81) was approved in the 1999-2004 Capital Improvement Project Program, and the City Council authorized staff to use a qualifications based RFQ selection process to solicit design and development teams. The recommended team was selected by a committee including representation from the City Council, local community and construction industry. This report requests authorization to proceed with design and construction of the project with the stipulation that the City's obligation is limited to \$1,900,000 for design work needed to define basic project concepts.

COMMISSION/COMMITTEE ACTION:

None.

BACKGROUND INFORMATION:

In the 1999 – 2004 CIP Program, the City Council provided seed funds for a Civic Center Administration facility (BB81) that would consolidate office space and quantify the costs of building ownership. Recent actions include:

- On April 25, 2000 the City Council decided that moving the Mansion to the northwest corner of 10th and H and constructing parking and an office building on the half block adjacent to City Hall was the preferred project option contingent upon environmental review. The Council selected this option because it provides significant additional value:
 - Allows for the greatest flexibility in meeting the design challenges / budget constraints.
 - Creates a permanent home for the AYH Mansion in keeping with it's historical character.
 - Will most likely present an integrated image of the City Government Center with a focus centered on the historic City Hall.
- On April 25, 2000 The City Council also authorized staff to issue a Request for Qualifications (RFQ) for design - development services necessary for the numerous design activities and construction of the Government Center Project.
- On May 15, 2000, a Request for Qualifications (RFQ) was issued soliciting responses from qualified teams to provide the design and development services necessary to complete the project. Six teams submitted responses to the RFQ on June 13, 2000.

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- On June 27, 2000 the selection committee consisting of representatives from the Mayor/City Council, local community, construction community, City Clerk, City Treasurer, Administrative Services and Public Works reviewed each of the proposals and selected three teams to submit proposals to complete the project within the available time and budget.
- On July 17, 2000 the Notice of Preparation of a Draft Environmental Impact Report for the City Government Center Project (BB81) was issued for public comment.
- On July 19, 2000, the selection committee interviewed the three shortlisted teams and selected David S. Taylor Interests, Inc. as the most qualified team for the project. The Taylor team includes two nationally recognized architects, Fentress Bradburn Architects LTD. and Gordon H. Chong & Partners as the leaders of the design team that also includes Buehler & Buehler Associates, Capital Engineering Consultants, Ecom Electrical Engineers, Quadriga Landscape Architects, Cooper, Thorne & Associates, The Hoyt Company, and Historic Environmental Consultants. The nationally recognized general contractor, Hensel Phelps Construction Company, will provide early design advise, scheduling and estimating input and will competitively bid the construction work to as many as 40 different subcontractors.

Using this team to complete programming, design, and construction for a guaranteed maximum price provides the City with a fixed project cost consistent with the project description and quality standards included within the contract and provides a single point of responsibility for all the many activities. David S. Taylor Interests has agreed that the project, as currently described, can be built for the established budget and have also agreed to publicly notice, pre-qualify and solicit proposals and sub-contracts under this agreement consistent with the City's bidding requirements and ESBD goals.

Actions that will be coming before City Council in the coming months

1. City Hall repair and structural upgrade:

- On August 4, 2000 a draft structural analysis of City Hall, fire station and annex building was completed and is under review by a peer committee composed of industry professionals and the City's Building Official.
- A condition report has been completed for the City Hall exterior. This report identifies numerous areas that are in need of significant repair including the tower dome, brick re-pointing and terra cotta anchoring repair and replacement.
- A historic analysis of City Hall will commence with the David Taylor contract to determine how to connect the new building with City Hall and how to repair previous damage that may result from removal of the annex as well as any code required changes. They will also estimate the cost and proper timing for all City Hall repairs and how these activities might fit within their schedule of work should the City Council chose to add this work to their contract.

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- Hensel Phelps, contractor in the Taylor team, will assist in evaluating whether it is realistic to attempt structural and exterior repairs while the building is still occupied. The results of this evaluation along with possible move-out options will be presented.
- Options for funding the cost of the structural upgrade and exterior repairs will be presented.

2. Government Center space program and design concepts:

- The Design – Development team will bring forward in a workshop discussion the preliminary results of their space program investigations and also discuss design alternatives to be sure that City Council, the design team and the tenant team are all working to the same goal. While at the same time, numerous other community and review meetings will be taking place outside of the City Council meeting.
- Further refinements and developments in the design will be brought to additional workshops to enable full City Council participation in the final design decisions.

3. American Youth Hostel Agreements:

Agreements about moving the hostel, purchase of the land, construction documents for the move, and compensation for lost business and rejuvenation of move damages will be presented consistent with the environmental review of the project.

4. Final Approval of the project, Certification of the EIR and authorization to sell bonds:

The hearing of the environmental report and approval of design will follow all of these design input reviews and meetings. Shortly thereafter, with a Guaranteed Maximum Cost provided by the Taylor team, the City Treasurer will request authorization to sell bonds for construction of the project.

FINANCIAL CONSIDERATIONS:

Recommendations of this report will obligate the City to expend funds for pre-construction services of the project. Current appropriations for this project are \$600,000, which is insufficient to award this contract. Staff recommends that profit sharing from the Cal/EPA building be appropriated to this project to cover the cost of this contract and to serve as an overall project contingency. The profit sharing amount is currently \$4,200,000 which will increase appropriations for the City Government Center from \$600,000 to \$4,800,000. This is sufficient to award the contract and provide for the project contingency.

The project will ultimately be funded by bonds issued close to construction commencement. Staff is requesting that the attached reimbursement resolution be approved to allow the reimbursement of expenditures incurred prior to the bond sale. It is emphasized that this

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resolution is "permissive" to allow for the ability to reimburse costs advanced from potential bond proceeds. It does not obligate the City in any way to finance such costs if other funding is available.

ENVIRONMENTAL CONSIDERATIONS:

In accordance with the State of California guidelines for implementation of the California Environmental Quality Act (CEQA) of 1970, the Planning Services Division, Office of Environmental Affairs has determined that an EIR must be prepared for this project and the process is underway. Expenses authorized by the contract are limited to those needed for preliminary investigations and design of the project. The balance of the contract is entirely contingent on the outcome of the environmental review and approval process. The contract does not commit the city to do the project.

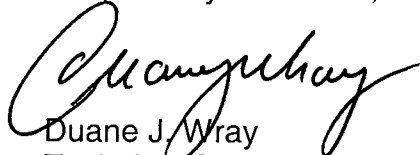
POLICY CONSIDERATIONS:

The suspension of competitive bidding, upon a two-thirds vote, and authorizing the City Manager to execute a Design/Development contract with David S. Taylor Interests Inc. is in the best interest of the City and consistent with the Sacramento City Code, Title 3.

ESBD CONSIDERATIONS:

The project was announced on the Project Information Line and on the City's Internet site at www.cityofsacramento.org/bids. All six (6) of the firms that submitted responses to the RFQ committed to meeting the City's ESBD goals through the project execution. Most of the engineering consultants for the pre-construction activities are ESBD certified.

Respectfully submitted,



Duane J. Wray
Technical Services Manager


RECOMMENDATION APPROVED:



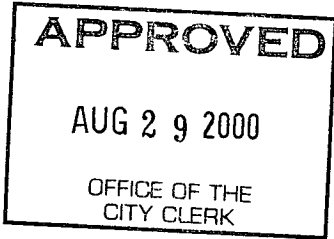
ROBERT P. THOMAS
City Manager

P/Active/BB81/Council/8-29-00/GovCtrD-B8.14.00

APPROVED:



Michael Kashiwagi
Director of Public Works



RESOLUTION NO. 2000-511

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING AN ALTERNATIVE BIDDING METHOD FOR THE CITY ADMINISTRATION BUILDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A DESIGN AND DEVELOPMENT AGREEMENT WITH DAVID TAYLOR INTERESTS, INC.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. It is in the best interest of the City to suspend competitive bidding in order to utilize a Request for Qualifications process to select the best qualified firm to provide the design, materials and equipment purchasing, and construction services necessary to complete the Administration Building project because this process will enable the project to be completed faster and more efficiently than would be possible using the design, bid and construction process; and selecting one firm to be responsible for both design and construction will better assure completion of the project on schedule and within the available budget.
2. Competitive bidding is hereby suspended, and the City Manager is hereby authorized and directed to execute an agreement with David S. Taylor Interests Inc. in the amount of \$37,653,790 for design and construction of the Government Center (Administration Bldg). Pre-construction activities are limited to \$1,900,000 for design work needs to define basic project concepts. The remainder of the contract is pending the successful completion of the environmental review (CEQA) and sale of bonds.
3. Appropriations of the project be increased as follows:

<u>Fund</u>	<u>Agency</u>	<u>Org</u>	<u>Object</u>	<u>Current Budget</u>	<u>Revised Budget</u>	<u>Increase (Decrease)</u>	<u>Accounting Reference</u>
725	500	BB06	4386	\$8,600,000	\$4,400,000	(\$4,200,000)	A
781	500	BB81	4376	0	\$4,200,000	\$4,200,000	B
EB Total:				\$8,600,000	\$8,600,000	0	

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
AUG 29 2000
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2000-005

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

ON DATE OF _____

**RESOLUTION OF OFFICIAL INTENT OF THE SACRAMENTO CITY FINANCING
AUTHORITY TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF
INDEBTEDNESS**

WHEREAS, the Sacramento Financing Authority (the "Authority") intends to design and construct a Civic Center multi-purpose facility (the "Project") on the block bounded by 9th, 10th, H and I Streets;

WHEREAS, the Authority expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to insurance of indebtedness for the purpose of financing costs associated with the Project on a long term basis;

WHEREAS, the Authority reasonably expects that debt obligations in an amount not expected to exceed \$100,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Authority to declare it's reasonable official intent to reimburse prior expenditures for the project with proceeds of subsequent borrowing;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SACRAMENTO CITY FINANCING AUTHORITY DECLARES AS FOLLOWS:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct.

Section 2. This resolution is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This resolution does not bind the Authority to make any expenditure, incur any indebtedness or proceed with the Project.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 3. The Authority hereby declares its official intent to use proceeds in indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this _____ day of _____, 2000.

CHAIRMAN

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____