

T. J.

CONTINUED
FROM July 18, 2000
TO August 3, 2000



DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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June 15, 2000

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: APPROVAL OF THE DESIGN-DEVELOPMENT SERVICES AGREEMENT
FOR THE PUBLIC SAFETY ADMINISTRATION BUILDING (EC31)**

LOCATION AND COUNCIL DISTRICT:

5760 & 5770 Freeport Blvd., Council District 4

RECOMMENDATION:

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

- Authorize the City Manager to execute a Design-Development Agreement with All-Star Investments, LLC for a sum not to exceed \$9,475,000 for programming, design, development and construction of the Public Safety Administration Project with the stipulation that the City's total obligation to All-Star Investments, LLC is limited to \$900,000 pending the successful sale of bonds for the project.
- Adjust the appropriations of the project to reflect a revised funding strategy.

CONTACT PERSON: David Morgan, Project Manager, 264-8425

FOR COUNCIL MEETING OF: July 18, 2000

SUMMARY:

The Public Safety Administration Facility Project (EC31) was approved in the 1999-2004 Capital Improvement Project Program. This report requests authorization to proceed with design and construction of the facility.

COMMISSION/COMMITTEE ACTION:

None.

BACKGROUND INFORMATION:

- On February 9, 2000, a Request for Qualifications (RFQ) was issued soliciting responses from qualified firms to provide the design and development services necessary to complete the project. Five firms submitted responses to the RFQ on March 6, 2000.
- On March 20, 2000 the selection committee consisting of representatives from the local community, Police Department, Fire Department and Public Works reviewed each of the proposals and selected three firms to submit proposals to complete the project within the available time and budget.
- On April 17, the selection committee interviewed the three shortlisted firms and selected All-Star Investments, LLC as the most qualified firm to complete the project within the available budget and time.
- Under the attached agreement, All-Star Investments, LLC has scheduled completion of the Fire Department improvements by January 31, 2001 and completion of the Police Department improvements by July 31, 2001 with phased relocation of the police staff to be completed through October 2001.

FINANCIAL CONSIDERATIONS:

There is one issue that concerns the funding strategy for the project. On April 4, 2000 the City Council designated \$1.9 million in Hall of Justice proceeds and in prior project appropriations to be utilized in support of operational costs for the project. Primarily, these funds were to be used to pay the early debt service on the bonds. Through this strategy, the project would pay for itself in savings on leases of vacated space.

Because of tax issues regarding private uses of the Freeport project, a refined strategy has been developed that will apply the \$1.9 million to construction. Early debt service will be paid through the borrowing. This is essentially a swap that has no significant cost and maintains the Council goal that the project be self-supporting.

The new funding strategy was an integral part of the 2000 Capital Improvement Revenue Bonds authorized on June 20, 2000. To reflect this strategy in the budget, the attached resolution increases the \$1.9 million by the interest earnings anticipated, or by \$56,628. The bond proceeds are also established together with interest earnings from unspent construction

City Council
Consultant Services Agreement - Public Safety Admin. Bldg. - All-Star Investments
June 15, 2000

funds and debt service reserve funds. The total project budget will be as follows after these transactions:

Public Safety Headquarters

General Fund: 101-500-EC31-4820	400,000
Capital Projects Fund: 781-500-EC31-4820	1,556,628
2000 CIP Bond – Public Safety Building Fund: 706-500-EC31-4820	<u>13,543,372</u>
	<u>15,500,000</u>

This is the same project budget total approved on April 4, 2000.

ENVIRONMENTAL CONSIDERATIONS:

On April 4, 2000 the City Council ratified the Negative Declaration and adopted the Mitigation Reporting Plan prepared by staff.

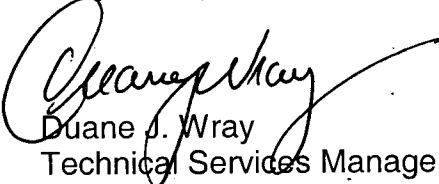
POLICY CONSIDERATIONS:

The actions requested are consistent with Sacramento City Code, Title 59.

ESBD CONSIDERATIONS:

The project was also announced on the Project Information Line and on the City's Internet site at www.sacto.org/bids. All five (5) of the firms that submitted responses to the RFQ committed to meeting the City's ESBD goals through the project execution. All-Star Investments, LLC has been certified by the City's Office of Small Business Development as a qualified Small Business Enterprise (SBE).


Respectfully submitted,


Duane J. Wray
Technical Services Manager

RECOMMENDATION APPROVED:


ROBERT P. THOMAS
City Manager

APPROVED:


Michael Kashwagi
Director of Public Works

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING THE DESIGN DEVELOPMENT SERVICES AGREEMENT FOR THE PUBLIC SAFETY ADMINISTRATION BUILDING AND ADJUSTING THE APPROPRIATIONS OF THE PROJECT TO REFLECT A REVISED FUNDING STRATEGY (EC31)

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

1. The City Manager is hereby authorized and directed to execute an agreement with All-Star Investments, LLC in the amount of (\$9,475,000) for design and construction of the Public Safety Administration Facility with the stipulation that total contractual obligations under this contract be limited to \$900,000 pending the successful sale of bonds for the project.
2. Appropriations of the project be adjusted as follows:

		Increase/ (Decrease)
To move bond proceeds from 781 to 706 and reflect bonded construction budget:		
781-500 -EC31-3770	Bond Proceeds	(15,500,000)
781-500-EC31-4820	Public Safety Headquarters	(15,500,000)
706-500-EC31-3770	Bond Proceeds	13,096,861
706-500-EC31-3401	Interest on Investments	446,511
706-500-EC31-4820	Public Safety Headquarters	13,543,372
To reflect interest revenue and supplement to City cash contribution:		
781-500-EC31-3401	Interest on Investments	56,628
781-500-EC31-4820	Public Safety Headquarters	56,628

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____