

City Council Report

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File ID: 2019-00018

February 5, 2019

Consent Item 13

Title: Budget Adjustment and Suspension of Competitive Bidding: North Natomas Community Center and Aquatic Complex Project (L19140410) [Two-Thirds Vote Required]

Location: District 1

Recommendation: Adopt a Resolution: 1) authorizing the City Manager or the City Manager's designee to transfer \$2,500,000 from the North Natomas Public Facilities Fee (Fund 3206) available fund balance to the North Natomas Community Center and Aquatic Complex (NNCCAC) Project (L19140410) for pre-construction expenses such as permitting, agency fees, and pre-construction management; and 2) suspending competitive bidding, in the best interests of the City, and authorizing use of the design-assist project delivery method for construction of the NNCCAC Project.

Contact: Kirk Thompson, Associate Architect (916) 808-8431; James Christensen, Facilities Manager (916) 808-5863, Department of Public Works; Shannon D. Brown, Interim Director (916) 808-8830, Department of Youth, Parks, & Community Enrichment

Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: On June 7, 2018, City Council adopted Resolution No. 2018-0215 approving the North Natomas Regional and Community Park Master Plan Amendment and Schematic Design Plans for the North Natomas Community Center and Aquatic Complex (NNCCAC) Project.

During initial planning for the NNCCAC Project (hereafter the “Project”), staff identified the design-assist project delivery method as the preferred approach. Design-assist is a project delivery method where the general contractor collaborates with the City and design team during the design phase prior to construction. It is intended to reduce the cost and time for construction, improve constructability, and add value. Design-assist is an alternative to the typical design-bid-build approach in which a contractor is selected based on the lowest qualified bid. For this Project, the general contractor would be able to advise on constructability, scheduling, coordinate on-site access issues with the adjacent New Market Drive extension project, provide technical review, and coordinate the building systems as well as value engineering throughout the design phase.

A design-assist project delivery would occur in two phases: Phase 1 (pre-construction services) includes constructability reviews, scheduling, assisting with the acquisition of permits and other approvals, and competitively bidding construction documents to create a guaranteed maximum price (GMP) cost proposal. Phase 2 (construction) begins if the GMP is approved by City Council. The additional \$2.5 million in funding is being sought for completion of Phase 1 activities, as described in greater detail below.

Policy Considerations: The recommendation in this report is in accordance with City Code Section 3.60.170(D), which states that the restrictions and provisions of City Code Chapter 3.60 requiring the award of contracts by competitive bidding shall not apply when, upon two-thirds vote of the City Council, it is determined that it is in the best interests of the City to suspend competitive bidding for any contract.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): On June 7, 2018, City Council adopted the Mitigated Negative Declaration (MND) and the Mitigation Monitoring Program for the North Natomas Regional and Community Park Master Plan Amendment and Community Center and Aquatics Complex Project (see City Council Resolution No. 2018-0215).

Sustainability: The NNCCAC design has been reviewed for consistency with the goals, policies, and targets of the City's Sustainability Master Plan (SMP), the Parks and Recreation Sustainability Plan, and the 2035 General Plan. The project will advance the goals, policies, and targets of these plans by improving the health of residents through access to a diverse mix of wellness and recreation activities.

Commission/Committee Action: On December 6, 2018, a Design Review Director's hearing was held to review the design of the NNCCAC. The project received support from the Urban Design Manager.

Rationale for Recommendation: Approval of the additional \$2.5 million in funding and suspension of competitive bidding is needed to complete Phase 1. The funding will be used for the pre-construction services of the general contractor, staff management, cost estimating, permit fees including City of Sacramento Community Development Department, County Health, Air Quality, DSA (Division of State Architects) and utility fees including water, sewer, SMUD, and PG&E. The general contractor will then competitively bid all of the subcontractor trades, including but not limited to electrical, HVAC, plumbing, and civil engineering.

After subcontractor bidding, the general contractor will develop a proposed GMP for the entire Project. Construction would not begin until the City Council approves the GMP amount. The current total Project cost estimate is approximately \$44.9 million based on design development plans. The cost estimate will be updated as the design plans become more complete. Staff is working to identify available funding from various funding sources, including a potential partnership with the Natomas Unified School District. Staff will not request approval to proceed with construction until final design is complete, the proposed GMP amount is acceptable to staff, and financial information is provided showing the funding needed for both capital construction and ongoing operations and maintenance.

Staff recommends suspension of competitive bidding in the best interests of the City due to the design-assist benefits mentioned above and because the design-assist approach is an industry best practice to maximize project scope when working within a limited budget through a GMP construction contract. Accordingly, staff is seeking City Council authorization for selection of a design-assist general contractor through use of a Request for Qualifications process instead of the low bidding process specified in City Code Chapter 3.60.

Financial Considerations: Staff recommends transferring \$2,500,000 from the available fund balance of the North Natomas Public Facilities Fee (Fund 3206) to the North Natomas Community Center and Aquatic Complex Project (L19140410). Sufficient funds are available in

the North Natomas Public Facilities Fee (Fund 3206) fund balance to transfer \$2,500,000 into the North Natomas Community Center and Aquatic Complex Project (L19140410).

The total estimated construction cost is anticipated to be \$35.5 million within the total estimated project cost of \$44.9 million. Annual operation and maintenance costs as well as anticipated revenue from the Aquatic Complex will be presented to City Council in a future staff report when the Project financing plan and GMP are being considered.

Local Business Enterprise (LBE): Not applicable for this action.

Background: The North Natomas Regional Park Master Plan was originally approved in 1994 and updated on August 4, 2011.

On July 25, 2017, City Council passed Motion 2017-00775 accepting the feasibility study prepared by BCA Architects for the North Natomas Community Center and Aquatics Complex. At that time, the Project was estimated to be \$24 million.

On October 24, 2017, City Council passed Resolution 2017-0404 establishing a new capital improvement project for the North Natomas Community Center and Aquatics Complex Project (L19140410) and awarded a professional services contract to BCA Architects, Inc. in the amount of \$263,877 to complete the schematic design.

On June 7, 2018, City Council passed Resolution 2018-0215 adopting the Mitigated Negative Declaration and the Mitigation Monitoring Program for the North Natomas Regional and Community Park Master Plan Amendment and Community Center and Aquatics Complex Project (L19140410); approving the North Natomas Regional and Community Park Master Plan Amendment; approving the North Natomas Community Center and Aquatics Complex Project and Schematic Design Plans; increasing the expenditure budget by \$2,000,000 from the North Natomas Public Facilities Fee (Fund 3206) for final design and project management; and approving Supplemental Agreement No.1 to City Agreement No. 2017-1254 with BCA Architects for an amount not to exceed \$1,839,835, increasing the new total not to exceed amount to \$2,103,712. At that time, the Project was estimated to be \$35 million.

RESOLUTION NO. 2018-

Adopted by the Sacramento City Council

January 22, 2019

BUDGET ADJUSTMENT AND SUSPEND COMPETITIVE BIDDING NORTH NATOMAS COMMUNITY CENTER AND AQUATIC COMPLEX PROJECT (L19140410)

BACKGROUND

- A. On June 7, 2018, City Council adopted Resolution No. 2018-0215 approving the North Natomas Regional and Community Park Master Plan Amendment and Schematic Design Plans for the North Natomas Community Center and Aquatics Complex Project (L19140410).
- B. Staff is now preparing to begin pre-construction activities for the North Natomas Community Center and Aquatic Complex (NNCCAC) and is seeking an additional \$2.5 million in funding and suspension of competitive bidding for selection of the design-assist construction contractor.
- C. The additional funding would be used for the pre-construction services of the general contractor, staff management, cost estimating, permit fees including City of Sacramento Community Development Department, County Health, Air Quality, DSA (Division of State Architects) and utility fees including water, sewer, SMUD, and PG&E.
- D. Section 3.60.170(D) of the City Code allows the City Council to suspend competitive bidding when it finds, by a two-thirds vote, that doing so is in the best interests of the City. Staff recommends suspension of competitive bidding for the NNCCAC project and use of the design-assist project delivery method to reduce the cost and time for construction, improve constructability, and add value.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to transfer \$2,500,000 from the North Natomas Public Facilities Fee (Fund 3206) available fund balance to the North Natomas Community Center and Aquatics Complex Project (L19140410).

Section 2. In the best interests of the City, competitive bidding is suspended and use of the design-assist project delivery method is authorized for construction of the North Natomas Community Center and Aquatics Complex Project (L19140410).