



*City
Council
Report*

Item: 18
Category: UNFINISHED BUSINESS
Meeting Date: July 18, 2023

TITLE: Approval of the Plans, Specifications, and Estimate (PS&E), and Authorization for the Public Works Director to Solicit Bid Proposals from the List of Pre-Qualified Contractors, for the Measure O – Police Operations Building Project

RECOMMENDED ACTION

That the City Council adopt a resolution approving the plans, specifications, and estimate (PS&E), and authorizing the Public Works Director to solicit bid proposals from the list of pre-qualified contractors, for the Measure O - Police Operations Building Project (No. 23-RR).

BACKGROUND

The Campbell Police Department is currently housed on the lower level of City Hall, located at 70 North First Street. Built in the early 1970's, City Hall was not constructed to current Essential Services Building standards for immediate occupancy after a natural disaster. Since 1986, the California Health and Safety Code and Building Code has required the construction of all public safety and emergency operations facilities to meet this Essential Services standard. In addition, the City's Emergency Operations Center (EOC) was housed within a portion of the Campbell Library's lower level – a facility that was also constructed prior to the implementation of these standards. Although both facilities comply with the latest building standards necessary to support other City operations, they are not equipped to sustain the critical service needs of the City's public safety department and its EOC.

In November 2018, Campbell voters passed Measure O authorizing the City to issue \$50,000,000 in general obligation (GO) bonds to finance the design and construction of a new Police Operations Building (including a new EOC) and renovations to the Campbell Library. Of the \$50M in Measure O funds available, \$20M was originally allocated to each project (Library and Police) with \$10M allocated to Shared Improvement Costs. Later, as the design process began, further allocations were made from the \$10M in Shared Improvement Costs to the individual projects, resulting in a total Measure O-funded project budget of \$20.5M for the Library Renovations (No. 23-SS) and \$25M for the Police Operations Building (No. 23-RR).

On May 19, 2020, the City Council awarded the design consultant services contract for the Police Operations Building project (No. 23-RR) to LPA, Inc., (LPA) and instructed

staff to return with the proposed design concepts before developing its schematic design. In February 2021, staff presented the concepts prepared by LPA and the City Council selected its preferred design option – permitting LPA to begin the schematic design phase. In May 2021, the City Council approved the schematic design for the Police Operations Building and directed staff to incorporate additional elements into the project to address concerns with logistics and exterior building features. Although these elements would not alter the project’s overall design, additional design services would be required to incorporate them into the existing design details – prompting staff to request a proposal from LPA for the associated re-design work and estimated costs.

In September 2021, the City Council approved the conventional Design-Bid-Build delivery method for the Police Operations project; followed by a separate hearing two weeks later authorizing staff to continue efforts through completion of the project’s design development phase. Shortly thereafter, on October 9, 2021, the City Council approved an amendment to the existing consultant services agreement with LPA for additional design services to incorporate (re-design) those elements into the project that were previously requested by City Council. After executing the amended agreement, LPA began the re-design work and moved forward through the remainder of the project’s design development phase.

In February 2022, staff issued a Request for Qualifications (RFQ) on behalf of each Measure O project to solicit contractors who were interested in (and qualified for) an invitation to bid on their respective construction contracts. After evaluating the applications received in response to the respective RFQs, staff determined that seven (out of eight) firms that applied for the Police Operations Building project had met the required qualifications. Upon completion of this selection process, the following contractors were deemed to be qualified and will be invited to bid on the project’s construction contract following City Council’s approval of the final plans, specifications, and estimates (PS&E):

1. Gonsalves & Stronck Construction Company, Inc.
2. Lathrop Construction Associates, Inc.
3. Rodan Builders, Inc.
4. Swinerton Builders
5. BOBO Construction, Inc.
6. Zovich & Sons, Inc.
7. Midstate Construction Corporation

DISCUSSION

Since the passage of Measure O in 2018, the Police Operations Building project has also received additional funding from the California State Resiliency Grant program (\$3.9M) and the Silicon Valley Clean Energy (SVCE) Resiliency Grant program (\$237k). The State funding was obtained by working collaboratively with neighboring West Valley cities on a request through Assemblymember Evan Low’s office that was related to meeting the public safety needs as defined by each of the individual cities. The SVCE

program was intended to provide financial assistance to agencies with qualifying improvement projects implementing features that promoted energy conservation and the ability to sustain power and critical service operations during the event of an outage. In turn, these funds increased capacity within the existing budget to incorporate additional features into the project's scope of work during the design phase.

Upon receiving the funds from the State and SVCE in 2021 and 2023, respectively, subsequent allocations were made to cover improvement costs related to their program objectives. From the \$3.9M State Resiliency grant, \$2.4M was allocated to the Police Operations Building construction project (No. 23-RR) for a new emergency generator and the fixtures, furnishings, and equipment (FF&E) to be installed (built-in) during the construction phase; while the remaining \$1.5M was allocated to a separate Measure O project created for the portion of FF&E to be purchased and installed after construction is complete (i.e., Civic Center Improvements – Police FF&E Project, No. 22-JJ). Meanwhile, of the \$237k allocated from SVCE, approximately \$40k was allocated to planning costs associated with the initial site evaluations that were paid directly to a third-party consultant through SVCE; leaving the remaining funds (approximately \$198k) allocated to the project's budget for implementation of energy-efficient features, as outlined in the scope of work.

On April 4, 2023, the City Council conducted a Study Session on Measure O to receive updates from staff on project budget allocations, status/timelines, constructability reviews, and construction phasing and staging. During the session, the City Council was informed that the City's Construction Management firm, Griffin Structures, had completed the constructability review for both Measure O projects and submitted their findings to each project's design team as preparations to finalize their plans and specifications were underway. Furthermore, staff provided the City Council with a summary of each project's budget details and their respective funding sources – with no changes to these allocations since the conclusion of the April 2023 study session. Based on that information, the following is a summary of the project's total available funds listed by funding source:

Available Funds – Police Project (No. 23-RR)

Funding Source	Amount
Measure O (Initial Allocation + Shared Site Work Allocation)	\$ 25,000,000
State Resiliency Grant (Emergency Generator and Built-In FF&E)	\$ 2,400,000
SVCE Energy Resiliency Grant	\$ 198,000
Total Available Funds (current project budget)	\$ 27,598,000

As the design was completed, LPA forwarded the final plans and specifications to their subconsultants at HLCM, Inc., to analyze the details and generate the associated construction cost estimate for the Police Operations Building project (see Attachment B). Based on the results of this effort, the construction contract's base cost includes the

construction of the new Police Operations building, two revocable bid items (i.e., the proposed trash enclosure and the renovation of the existing Police Department), and additional site work – with a 10% change order construction contingency – all identified as separate project expenditures. With this completed cost estimate, staff anticipates the following allocation of project funds:

Use of Funds – Police Project (No. 23-RR)

Costs/Expenditures	Amount
Design, Planning, & Management	\$ 2,543,575
Plan Review / Permits	\$ 115,000
Construction Contract (Base Cost and Revocable Bid Items)	\$ 28,064,686
Change Order Contingency (10% of Construction Contract)	\$ 2,806,469
Utility Fees (Fire, Water, Electrical/Gas, Sanitary, etc.)	\$ 350,000
Testing & Special Inspections	\$ 430,000
Other City Costs / Design Contingencies	\$ 50,000
Total Costs for Police Project (estimated)	\$ 34,359,730

Based on the project's estimated total of \$34,359,730 and the current available budget of \$27,598,000, there is a funding gap of approximately \$6.76M and additional funding may be necessary to supplement the project's remaining expenditures to complete the project as designed. While staff has identified strategies to address this gap in funding, bid results will need to be submitted and subsequently reviewed for a more accurate representation of the project's budgetary needs. As such, approval of the project's PS&E and authorization to solicit bids will be required to initiate the bidding process. Since the award of the construction contract will occur during a later City Council meeting, the approval of the PS&E and authorization to solicit contractor bids will have no financial impact and presents no risk to the City at this time.

As previously mentioned, staff has identified several financial strategies to help reduce the estimated \$6.8M gap in funding for the Police Operations Building project. One option includes the use of the \$1.3M in unallocated Measure O funds which remains available as both projects approach their respective construction phases. In addition, the Library Renovation project is projected to end with a surplus of approximately \$1.8M, pending its own bid results. Should the Library project conclude within budget, the remaining surplus of approximately \$1.8M in Measure O funds could be re-allocated to other Civic Center improvement projects still in progress at that time. Moreover, the City projects an accrual of approximately \$800k in interest through FY24 from the Measure O bonds, which may also be applied towards project expenditures as needed; pending an arbitrage calculation by the City's municipal advisors to confirm that excess interest has not been earned on the tax-exempt bonds (in this case, any such excess interest may need to be remitted to the IRS). Should the above figures prove accurate,

it may allow for the reallocation of up to \$3.9M towards the Police Operations Building project. Staff will also consider and evaluate the use of other available funding sources as outlined in the City's approved CIP for FY 2024-28.

Additional budget capacity may also be generated through the project's two revocable bid items and/or add alternates that are currently identified in the construction cost estimate. For example, staff may consider deferring the new building's trash enclosure (\$244k) and/or the renovation of the existing Police Department space in City Hall (\$3.3M), which in turn, would allow the construction of the new building to move forward as scheduled while staff pursues funding strategies to complete the project as designed. Furthermore, deferring these revocable bid items to a later stage in the construction process will not delay or impact the project's anticipated completion schedule. These elements were not intended to be constructed until the completion of the new Police Operations Building, approximately two years from now, as a separate phase of the construction project. Deferring these elements may provide an opportunity for staff to explore other funding options for their implementation and identify strategies to further reduce their fiscal impact. Likewise, staff can also re-evaluate the project's add alternates and their associated costs to determine if such features can be removed or adjusted without impacting other elements of the project or creating additional budgetary constraints.

Ultimately, when staff returns to the City Council with the construction bid results, there will be a recommended award strategy based on the lowest bid results and those options that staff has deemed necessary to reduce the projected gap in funding. As such, all funding and implementation alternatives will be provided at that time as well.

NEXT STEPS

Staff recommends the City Council approve the Police Operations Building project's final PS&E and authorize the issuance of an invite to the project's list of prequalified contractors to bid on the construction contract. Should the City Council approve the project's final plans and specifications, staff will later return to the City Council to present the bid results and request approval to award the project's construction contract. A redacted version of the project's construction plans and specifications are available for review at the City Clerk's office.

With these developments, the following is an updated tentative schedule for the Police Operations Building project:

Campbell Police Operations Building (Project No. 23-RR)	Date
Invite list of pre-qualified contractors to submit bid proposals for the Police project's construction contract.	August 7, 2023
Construction Bid Opening for Police Operations Building project	September 20, 2023

City Council to award Police Operations Building Construction Contract to the lowest responsible, and responsive, bidder	October 17, 2023
Start of Police Operations Building Construction	November or December of 2023, ±
Completion of Police Operations Building Project	December of 2025, ±

FISCAL IMPACT

There is no fiscal impact associated with the approval of the final PS&E, and/or authorization to solicit bids from the list of pre-qualified contractors, for the Measure O – Police Operations Building project (No. 23-RR).

ALTERNATIVES

1. Do not proceed with the bid process for the Police Operations Building at this time.
2. Provide alternative direction to staff.

Prepared by:



Carina Shattuck, Administrative Analyst I

Reviewed by:



Todd Capurso, Director of Public Works

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution
- b. HLCM Plan Check Approval Cost Estimate for PD Project (Rev 1 Dated 5.12.23)

RESOLUTION NO. 13022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL APPROVING THE PLANS, SPECIFICATIONS, AND ESTIMATE (PS&E) AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SOLICIT BID PROPOSALS FROM THE LIST OF PRE-QUALIFIED CONTRACTORS, FOR THE MEASURE O – POLICE OPERATIONS BUILDING PROJECT (NO. 23-RR)

WHEREAS, the Campbell Police Department and the City's Emergency Operations Center (EOC) are currently housed in facilities that were built in the early 1970's and do not meet the Essential Services Building standards that have been in place since 1986 for all public safety facilities operating throughout the State; and

WHEREAS, in November 2018, Campbell voters passed Measure O authorizing the City to issue \$50,000,000 in general obligation (GO) bonds to finance the design and construction of a new Police Operations Building (including a new EOC) and renovations to the Campbell Library; and

WHEREAS, a total of \$25M in Measure O funds has been allocated for the Police Operations Building project (No. 23-RR); and

WHEREAS, on May 19, 2020, LPA, Inc., (LPA) was awarded the design consultant services contract for the Police Operations Building project and its schematic design was later approved by City Council in May 2021; and

WHEREAS, in early 2022, after evaluating the applications received in response to the Request for Qualifications (RFQ) advertised for construction services, staff deemed the following contractors qualified for invitation to bid on the Police project's construction contract upon the City Council's approval of the final plans, specifications, and estimates (PS&E): 1. Gonsalves & Stronck Construction Company, Inc., 2. Lathrop Construction Associates, Inc., 3. Rodan Builders, Inc., 4. Swinerton Builders, 5. BOBO Construction, Inc., 6. Zovich & Sons, Inc., and 7. Midstate Construction Corporation; and

WHEREAS, between 2021 and 2023, the Police Operations Building project also received additional funding from the California State Resiliency Grant program (\$3.9M) and the Silicon Valley Clean Energy (SVCE) Resiliency Grant program (\$237k), which allowed the City to implement additional features into the project's scope of work as outlined in their respective program objectives; and

WHEREAS, subsequent allocations to these grant funds have resulted in a total budget amount of \$27,598,000 for the Police Operations Building project; and

WHEREAS, following design completion in April 2023, LPA forwarded the final plans and specifications to their subconsultants at HLCM, Inc., to analyze the details and generate the project's construction cost estimate; and

WHEREAS, based on the results of this effort, the construction contract's base cost includes the construction of the new Police Operations building, two revocable bid items (i.e., the proposed trash enclosure and the renovation of the existing Police Department), and additional site work – all identified as separate expenditures – for a total construction cost estimate of \$28,064,686; and

WHEREAS, with the project's estimated total of \$34,359,730, and the current available budget of \$27,598,000, there is a gap of approximately \$6.76M in funding for the Police Building project; and

WHEREAS, while staff has identified strategies to reduce this gap, construction bids will need to be submitted and subsequently reviewed for a more accurate representation of the project's budgetary needs; and

WHEREAS, staff's strategies may include the use of \$1.3M in unallocated Measure O funds, a projected Measure O surplus of \$1.8M pending bid results and completion of the Library Renovations project, \$800k in Measure O interest earnings (from bonds confirmed as non-tax-exempt), other funding sources available per the approved CIP for FY 2024-28, and re-evaluating the project's two revocable bid items and/or add alternates that are currently identified in the construction cost estimate; and

WHEREAS, staff is recommending City Council approve the project's final PS&E and authorize bid invitations to the project's list of prequalified contractors to initiate the bidding process; and

WHEREAS, approval of the project's PS&E and authorization to solicit contractor bids will have no financial impact, or present any risk to the City, at this time; and

WHEREAS, staff will later return to the City Council to present the bid results and request approval to award the project's construction contract with a recommended award strategy based on the lowest bid amount and those options that staff has deemed necessary to reduce the projected gap in funding.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Campbell hereby approves the final plans, specifications, and estimate (PS&E), and authorizes the Public Works Director to solicit bid proposals from the project's list of pre-qualified contractor, for the Measure O – Campbell Police Operations Building Project (No. 23-RR).

BE IT FURTHER RESOLVED upon staff's return to award the project's construction contract, additional details regarding funding and implementation alternatives will be presented at that time.

PASSED AND ADOPTED this 18th day of July, 2023, by the following roll call vote:

AYES: Councilmembers: Lopez, Scozzola, Landry, Bybee
NOES: Councilmembers: Furtado
ABSENT: Councilmembers: None

APPROVED:



Anne Bybee, Mayor

ATTEST:



Andrea Sanders, City Clerk