



# City of San Leandro

Meeting Date: November 5, 2018

## Staff Report

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**File Number:** 18-474

**Agenda Section:** ACTION ITEMS

**Agenda Number:** 10.B.

**TO:** City Council

**FROM:** Jeff Kay  
City Manager

**BY:** Keith Cooke  
Engineering & Transportation Director

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** Staff Report for a City of San Leandro City Council RESOLUTION to Award a \$6,268,000 Construction Contract to D. L. Falk Construction, Inc. for the Police Building and South Offices Modification Project, Project No. 2014.0481; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount; and City Council Approval to Appropriation \$943,000 from the 2018-19 CIP Bond

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### SUMMARY AND RECOMMENDATIONS

This contract provides for the construction of tenant improvements on the first floor of the Public Safety Building and within the South Offices Building.

Staff recommends the following actions:

- Award of a construction contract to D. L. Falk Construction, Inc. in the amount of \$6,268,000;
- Appropriation of \$943,000 additional funding for construction from the 2018-19 CIP bond proceeds;
- Authorization for the City Manager to negotiate and approve individual change orders up to 5%, or \$313,400, of the original contract amount; and
- Authorization for the City Manager to negotiate and approve change orders up to a cumulative value not to exceed 15%, or \$940,200 of the original contract amount.

### BACKGROUND

In 2009, Leach Mounce Architects prepared a Needs Assessment report for the San Leandro Police Department (SLPD). The report stated that the SLPD is severely overcrowded inside the Public Safety Building. The report also identified other deficiencies, such as a lack of dedicated

parking spaces for the department, electrical issues, and an absence of a proper physical training facility. The report went on to state that it did not appear feasible financially, structurally or space-wise to add the necessary office space and parking to the existing SLPD facility, and it provided three scenarios for a brand new SLPD building ranging from \$59.6 million to \$70.5 million in 2009 dollars. The City did not proceed with those recommendations due to lack of project funding.

The South Office Building previously housed the Recreation and Human Services Department, but they have vacated the space and relocated staff to City Hall, the Marina Community Center and Senior Community Center over the past few years. In 2013, Indigo/Hammond & Playle Architects was hired to provide space planning services to allow the SLPD to expand to the South Office Building to mitigate some of the overcrowding noted in the 2009 Needs Assessment report. Only non-Essential Services staff (i.e. excluding sworn officers) were slated to be relocated to the South Office Building to prevent the need for costly structural upgrades such that the building will meet the standards for an Essential Services Building.

Indigo developed two design concepts, since it was unknown the level of funding to be allocated towards construction. The first conceptual plan addressed the top five deficiencies noted in the 2009 Needs Assessment, namely:

- Dispatch Center
- Traffic Division
- Electrical System and Computer Server
- Investigations
- Physical Training Space

The second design concept did not include improvements for the Investigations Division or create a new physical training space. Both concepts were presented before City Council on July 28, 2014, and the first design concept was preferred and later funded for design and construction.

In 2016, Indigo/Hammond & Playle Architects was hired again to help develop construction-ready plans, specifications and estimates based on the conceptual documents that they previously prepared. At the Public Safety Building, approximately two-thirds of the first floor (3,776 square feet) will be remodeled. The scope of work includes expanding the dispatch center, enlarging the server room, creation of a new Dispatch breakroom, a new Lieutenants locker room, and offices for managers, supervisors and Lieutenants. Excluding contingencies, the construction cost is roughly \$506 per square foot for the Public Safety Building.

Improvements at the South Offices include a new public lobby with a children's alcove. The existing lobby at the Public Safety Building will no longer be used as such after the completion of this project. Other improvements include new office space for the Records Division, Traffic Division, Code Compliance, and volunteers. There will be two quiet rooms for officers to rest after long shifts. The scope of work also includes a new physical training room with lockers and showers to be open to all City staff, an interview room, Livescan fingerprinting room, breakroom, conference room, restrooms, and storage rooms. The theater space formerly used by the California Conservatory Theater will be turned into a community meeting room with attached storage and food preparation areas to help make up for the fact that the South Office Conference Room will no longer be available. 9,439 square feet of the South Office Building will receive

tenant improvements, which is almost the entirety of the building. The building construction cost is roughly \$414 per square foot, excluding contingencies, based on the proposal from the lowest bidder.

Minor site work is also included in the project scope to address Americans with Disabilities Act (ADA) deficiencies along the sidewalk on E. 14th Street and also at the Toler Avenue parking lot.

### **Analysis**

A total of four bids were received at the bid opening on September 20, 2018. The bids were from \$6,268,000 to \$7,028,000. The pre-bid engineer's estimate was \$6,218,084. The low bidder was D.L. Falk Construction, Inc. of Hayward. Staff verified that the contractor has a valid license with the Contractor's State License Board and is registered with the California Department of Industrial Relations.

At the mandatory pre-bid meetings, staff presented the requirements of the Local Inclusion Policy Ordinance, responded to bidder questions, and provided contact information for free technical assistance with compliance. Bidders were also provided with a list of San Leandro contractors performing trades applicable to this project's construction that currently hold business licenses with the City of San Leandro.

None of the bidders have an office in San Leandro that would qualify them as a local business per the Local Inclusion Policy Ordinance. Also, none of the bidders met the Local Business Participation Goal by subcontracting with San Leandro businesses for 25% of the contract value. The lowest responsive bidder has one local subcontractor, Western Roofing, whose subcontract for approximately \$70,000 represents 1% of the total contract value. Additionally, the lowest responsive bidder provided documentation that demonstrated completion of the required good faith efforts to meet the local business participation goal, pursuant to the Local Inclusion Policy.

This project is also subject to the provisions of the Community Workforce Agreement (CWA). Each bidder was advised of the agreement in writing and verbally at the mandatory pre-bid meetings. Each contractor was given contact information for the Bay Area Business Roundtable, an organization hired by the City to provide free technical assistance to comply with the CWA. All of the bidders signed the Community Workforce Agreement commitment form.

As is standard in the construction industry, staff balanced site investigation costs with the risk of finding unforeseen conditions during construction as well as the design costs with the level of detail on the plans. As a result, unforeseen conditions may be encountered during construction and plan details may need to be adjusted or clarified. In order to minimize delay to the project and ensure that the scope of work is adjusted as needed to provide the highest quality project for the City, staff requests that the City Council authorize the City Manager or his designee to negotiate and approve individual change orders up to 5% (\$313,400) of the original contract amount and cumulative change orders up to 15% (\$940,200) of the original contract amount. This will ensure efficient completion of the project on budget and on schedule.

Although the City Council originally approved \$8,474,983 for this project, due to the increase in construction costs, the updated project estimate is now \$9,417,686. There is a marked shortage of available construction labor in Northern California, especially in the Bay Area, and as a result, recent bids for Capital Improvement Projects throughout the region have been 15% higher than budgeted. Staff requests appropriation of additional funds in the amount of \$943,000 from the 2018-19 CIP Bond, which would result in a decreased appropriation for the same amount from the CIP Bond for the Casa Peralta Improvements Project.

### **Current Agency Policies**

- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe
- Maintain and enhance San Leandro's infrastructure

### **Previous Actions**

- On December 2, 2013, the City Council by Resolution No. 2013-151 approved a consulting services agreement with Indigo/Hammond & Playle Architects, LLP for the South Offices Space Planning Project.
- On July 28, 2014, two conceptual plans were presented to the City Council at a work session. Of the two design options presented, the City Council selected the option recommended by staff.
- On October 5, 2015, the City Council by Resolution No. 2015-171 deferred \$542,000 in project funding from FY 2016 to FY 2017.
- On November 7, 2016, the City Council by Resolution No. 2016-145, approved a consulting services agreement with Indigo/Hammond & Playle Architects, LLP for design services related to the Police Building and South Offices Modifications Project.
- On July 3, 2017, the City Council by Resolution No. 2017-093 approved Amendment No. 1 to the design contract with Indigo/Hammond & Playle Architects, LLP for design services to convert the theater space inside the South Offices Building to a new community meeting room.
- On November 6, 2017, the City Council by Resolution No. 2017-157 deferred \$560,000 in project funding from FY 2017 to FY 2019.

### **Applicable General Plan Policies**

GOAL CSF-1: Provide and maintain high-quality police, fire, and emergency medical services.

### **Environmental Review**

This project was deemed Categorical Exempt per California Environmental Quality Act (CEQA) section 15301 (A and C) - Existing Facilities.

**Fiscal Impacts**

The total estimated project cost is \$9,417,686 as detailed below:

|                                      |                    |
|--------------------------------------|--------------------|
| Indigo design contract               | \$806,002          |
| Other design costs                   | \$168,905          |
| Construction contract                | \$6,268,000        |
| Construction contingency (15%)       | \$940,200          |
| Indigo construction support contract | \$394,090          |
| Construction administration          | \$195,289          |
| Misc. testing and inspections        | \$65,000           |
| Dispatch consoles                    | \$145,200          |
| Furnishings                          | \$285,000          |
| <u>Phones, IT, and A/V equipment</u> | <u>\$150,000</u>   |
| <b>Total</b>                         | <b>\$9,417,686</b> |

**Budget Authority**

Funding allocations for the Police Building and South Office Modifications Project are as follows:

| <u>Account No.</u>  | <u>Source</u>                 | <u>FY/Approp. Date</u> | <u>Amount</u>      |
|---------------------|-------------------------------|------------------------|--------------------|
| 210-18-137          | General Fund                  | FY15/16                | \$208,000          |
| 210-18-137          | General Fund                  | FY16/17                | \$1,556,983        |
| 210-18-145          | General Fund, CIP Bond        | FY18/19                | \$5,000,000        |
| 210-18-137          | General Fund                  | FY17/18                | \$560,000          |
| <u>210-18-146</u>   | <u>General Fund, CIP Bond</u> | <u>FY18/19</u>         | <u>\$1,150,000</u> |
| Total Appropriation |                               |                        | \$8,474,983        |

Appropriation requested by this action in account 210-18-145-5240 \$943,000  
**Total Proposed Project Funding** **\$9,417,983**

Funding for the Casa Peralta Improvements project is revised as follows:  
Appropriation requested by this action in account 210-18-403 (\$943,000)

**ATTACHMENT**

- Bid Summary - Police Building and South Office Modifications Project

**PREPARED BY:** Kyle K. Lei, Associate Engineer, Engineering and Transportation Department

# BID SUMMARY



This document is a summary of bids received for the subject project and are provided only as a convenience. Listing of a particular bid is not a finding that such bid has been found to be responsive or accepted as complete by the City. An award of contract, if any, is subject to approval of the City Council and/or the City Manager. Contractors should refer to the contract documents for bidding information.

PROJECT TITLE: Police Building and South Office Modifications  
 PROJECT NO.: 2014.0481  
 BID NO.: 17-18.049

| BID OPENING  |   |          | ENGINEER'S ESTIMATE   |                       | DL Falk Construction, Inc.   |  | Build Group, Inc.   |                |
|--|---|----------|---|-----------------------|--|--|---|----------------|
| DATE: Thursday, September 20, 2018<br>TIME: 3:00 p.m.<br>LOCATION: City Clerk's Office |   |          | Date Approved: 9/18/2018<br>Prepared by: K. Lei   |                       | 3526 Investment Boulevard<br>Hayward, CA 94545<br>Phone: (510) 887-6500<br>Fax: (510) 887-6501 |  | 457 Minna Street<br>San Francisco, CA 94103<br>Phone: (415) 357-9399<br>Fax: (415) 366-2883 |                |
| ITEM NO.   | ITEM  | QUANTITY | UNIT COST   | ITEM COST             | UNIT COST  | ITEM COST  | UNIT COST   | ITEM COST      |
| 1  | Furnish all materials, equipment, and labor to construct the work shown on the plans or noted in the specifications, excluding Bid Item No. 2 below | 1 LS     | \$6,198,084.17  | \$6,198,084.17        | \$6,228,000.00   | \$6,228,000.00   | \$6,464,000.00  | \$6,464,000.00 |
| 2  | Furnish all sheeting, shoring and bracing as required   | 1 LS     | \$20,000.00   | \$20,000.00           | \$40,000.00  | \$40,000.00  | \$0.00  | \$0.00         |
| <b>TOTAL BASE BID:</b>   |   |          |   | <b>\$6,218,084.17</b> | <b>\$6,268,000.00</b>  |  | <b>\$6,464,000.00</b>   |                |
| <b>REQUIRED DOCUMENTATION:</b>   |   |          | Bid Bond  |                       | RECEIVED   |  | RECEIVED  |                |
|  |   |          | San Leandro Local Business  |                       | NO   |  | NO  |                |
|  |   |          | 25 % Participation  |                       | NO   |  | NO  |                |
|  |   |          | Good Faith Effort   |                       | RECEIVED   |  | RECEIVED  |                |
|  |   |          | Agreement to be Bound   |                       | RECEIVED   |  | RECEIVED  |                |
|  |   |          | Addendums 1-2   |                       | YES  |  | YES   |                |
| <b>SUBCONTRACTORS:</b>   |   |          | AMG<br>Jalos Concrete<br>Martins steel Works<br>Collier Building Specialties<br>Custom Drywall<br>Highpoint Acoustic<br>Bay Cities Fire Protection<br>Pacific Power Systems<br>Bultena Engineering<br>Western Roofing |                       |  | Cal Inc.<br>Bay Area Concrete<br>Northern Structural<br>Monico Construction Inc.<br>Milltek, Inc.<br>HVAC Service Heating and Air, Inc.<br>Commercial Door & Frame<br>Progress Glass<br>Collier Building Specialties<br>Sunshine Commercial Construction |   |                |

# BID SUMMARY



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PROJECT TITLE: Police Building and South Office Modifications  
PROJECT NO.: 2014.0481  
BID NO.: 17-18.049

| BID OPENING  |      | ENGINEER'S ESTIMATE                             |             | DL Falk Construction, Inc.   |   | Build Group, Inc.   |  |           |
|--|------|---|-------------|--|---|---|--|-----------|
| DATE: Thursday, September 20, 2018<br>TIME: 3:00 p.m.<br>LOCATION: City Clerk's Office |      | Date Approved: 9/18/2018<br>Prepared by: K. Lei |             | 3526 Investment Boulevard<br>Hayward, CA 94545<br>Phone: (510) 887-6500<br>Fax: (510) 887-6501 |   | 457 Minna Street<br>San Francisco, CA 94103<br>Phone: (415) 357-9399<br>Fax: (415) 366-2883 |  |           |
| ITEM NO.   | ITEM | QUANTITY  | UNIT COST   | ITEM COST  | UNIT COST   | ITEM COST   | UNIT COST  | ITEM COST |
|  |      |   |             |  | Architectural Casework, Inc.<br>DC Tile<br>Kim's Flooring<br>Picture Painting<br>System & Space, Inc.<br>Ciari Plumbing<br>Fertado Heating & Air<br>US Glass & Aluminum, Inc. |   | DC Tile Co.<br>Service West<br>Harry L Murphy<br>Twin Post Painting, Inc.<br>Systems and Space<br>Ciari Plumbing<br>O'Grady<br>A&B Construction<br>Volk Electric<br>Deharo<br>Walschon Fire Protection, Inc. |           |
|  |      |   | SECURITIES: |  | 10% Bid Bond  |   | 10% Bid Bond   |           |
|  |      |   | NOTES:      |  |   |   |  |           |

Reviewed by: [Signature] Date: 9/24/2018  
                  Kyle Lei, Project Manager  
Reviewed by: [Signature] Date: 9/24/18  
                  Austine Osakwe, Senior Engineer

# BID SUMMARY



This document is a summary of bids received for the subject project and are provided only as a convenience. Listing of a particular bid is not a finding that such bid has been found to be responsive or accepted as complete by the City. An award of contract, if any, is subject to approval of the City Council and/or the City Manager. Contractors should refer to the contract documents for bidding information.

**PROJECT TITLE:** Police Building and South Office Modifications  
**PROJECT NO.:** 2014.0481  
**BID NO.:** 17-18.049

| BID OPENING   |   |          | ENGINEER'S ESTIMATE   |                       | Alten Construction, Inc.  |  | Rodan Builders, Inc.   |                |
|---|---|----------|---|-----------------------|---|--|--|----------------|
| <b>DATE:</b> Thursday, September 20, 2018<br><b>TIME:</b> 3:00 p.m.<br><b>LOCATION:</b> City Clerk's Office |   |          | <b>Date Approved:</b> 9/18/2018<br><b>Prepared by:</b> K. Lei   |                       | 1141 Marina Way South<br>Richmond, CA 94804<br>Phone: (510) 234-4200<br>Fax: (510) 234-4221 |  | 859 Cowan Road<br>Burlingame, CA 94010<br>Phone: (650) 508-1700<br>Fax: (650) 508-1705 |                |
| ITEM NO.  | ITEM  | QUANTITY | UNIT COST   | ITEM COST             | UNIT COST   | ITEM COST  | UNIT COST  | ITEM COST      |
| 1   | Furnish all materials, equipment, and labor to construct the work shown on the plans or noted in the specifications, excluding Bid Item No. 2 below | 1 LS     | \$6,198,084.17  | \$6,198,084.17        | \$6,514,000.00  | \$6,514,000.00   | \$6,991,000.00   | \$6,991,000.00 |
| 2   | Furnish all sheeting, shoring and bracing as required   | 1 LS     | \$20,000.00   | \$20,000.00           | \$9,000.00  | \$9,000.00   | \$37,000.00  | \$37,000.00    |
| <b>TOTAL BASE BID:</b>  |   |          |   | <b>\$6,218,084.17</b> | <b>\$6,523,000.00 **</b>  |  | <b>\$7,028,000.00</b>  |                |
| <b>REQUIRED DOCUMENTATION:</b>  |   |          | Bid Bond  |                       | YES   |  | YES  |                |
|   |   |          | San Leandro Local Business  |                       | NO  |  | NO   |                |
|   |   |          | 25 % Participation  |                       | NO  |  | NO   |                |
|   |   |          | Good Faith Effort   |                       | RECEIVED  |  | RECEIVED   |                |
|   |   |          | Agreement to be Bound   |                       | RECEIVED  |  | RECEIVED   |                |
|   |   |          | Addendums 1-2   |                       | YES   |  | YES  |                |
| <b>SUBCONTRACTORS:</b>  |   |          | Professional Asbestos and Lead Services, Inc.<br>WR Forde<br>AMG<br>Berkeley Cement<br>Martin's Steel Metals<br>BK Mill<br>Western Roofing<br>US Glass<br>Sunshine Commercial Construction<br>DC Tile |                       |   | Southwest Hazard<br>Berkeley Cement<br>Martin Steel Works<br>Milltek<br>Western Roofing<br>American Glass<br>Collier Building Specialties<br>U-neac Framing<br>S & H Plastering<br>DC Tile |  |                |



# BID SUMMARY



This document is a summary of bids received for the subject project and are provided only as a convenience. Listing of a particular bid is not a finding that such bid has been found to be responsive or accepted as complete by the City. An award of contract, if any, is subject to approval of the City Council and/or the City Manager. Contractors should refer to the contract documents for bidding information.

PROJECT TITLE: Police Building and South Office Modifications  
 PROJECT NO.: 2014.0481  
 BID NO.: 17-18.049

| BID OPENING  |      | ENGINEER'S ESTIMATE                             |             |           | Alten Construction, Inc.   |           | Rodan Builders, Inc.   |           |
|--|------|---|-------------|-----------|--|-----------|--|-----------|
| DATE: Thursday, September 20, 2018<br>TIME: 3:00 p.m.<br>LOCATION: City Clerk's Office |      | Date Approved: 9/18/2018<br>Prepared by: K. Lei |             |           | 1141 Marina Way South<br>Richmond, CA 94804<br>Phone: (510) 234-4200<br>Fax: (510) 234-4221  |           | 859 Cowan Road<br>Burlingame, CA 94010<br>Phone: (650) 508-1700<br>Fax: (650) 508-1705   |           |
| ITEM NO.   | ITEM | QUANTITY  | UNIT COST   | ITEM COST | UNIT COST  | ITEM COST | UNIT COST  | ITEM COST |
|  |      |   |             |           | George Family Enterprises, Inc.<br>Kim's Flooring, Inc.<br>Darden Painting, Inc.<br>Systems & Space<br>Sabah International, Inc.<br>Bay Cities Fire Protection, Inc.<br>Ciari Plumbing<br>Axis Mechanical<br>Edwards Scott<br>Collier Building Specialties |           | Arrow Acoustics<br>Majestic Flooring<br>Murphy's Specialties<br>Walschon Fire Protection<br>Ciari Plumbing<br>Marina Mechanical<br>Grand Electric<br>Denelect Alarm Company<br>Durden Painting<br>Garnett Signs<br>Systems & Space |           |
|  |      |   | SECURITIES: |           | 10% Bid Bond   |           | 10% Bid Bond   |           |
|  |      |   | NOTES:      |           | ** Math Error Corrected  |           |  |           |

Reviewed by: *[Signature]* Date: 9/24/2018  
 Kyle Lei, Project Manager

Reviewed by: *[Signature]* Date: 9/24/18  
 Austine Osakwe, Senior Engineer



# City of San Leandro

Meeting Date: November 5, 2018

## Resolution - Council

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**File Number:** 18-475

**Agenda Section:** ACTION ITEMS

**Agenda Number:**

**TO:** City Council

**FROM:** Jeff Kay  
City Manager

**BY:** Keith Cooke  
Engineering & Transportation Director

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** RESOLUTION of the City of San Leandro City Council to Award a \$6,268,000 Construction Contract to D. L. Falk Construction, Inc. for the Police Building and South Offices Modification Project, Project No. 2014.0481; Appropriation of Additional \$943,000 of 2018-19 CIP Bond Funds for Construction; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders up to 15% of the Original Contract Amount; and City Council Approval to Amend to the City of San Leandro Budget for the Police Building and South Offices Modification Project and the Casa Peralta Improvements Project (Provides for tenant improvements at the Public Safety Building and South Offices via a construction contract of \$6,268,000 to be funded through General Funds and CIP Bond Funds)

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**WHEREAS**, the City of San Leandro did, on September 20, 2018, publicly open, examine and declare all sealed proposals or bids for doing the work described in the bid documents for the subject project; and

**WHEREAS**, said proposals were submitted to the Engineering and Transportation Director who has found that the proposal hereinafter mentioned is the lowest responsive bid by a responsible bidder for doing said work.

**NOW, THEREFORE**, the City Council of the City of San Leandro does **RESOLVE** as follows:

That said City Council hereby rejects all of said proposals or bids except that herein mentioned; hereby waives any irregularities in the proposal or bid of the lowest responsible bidder; and hereby awards the contract for doing said work to the lowest responsible bidder therefore, to wit D.L. Falk Construction, Inc., in the amount of \$6,268,000; and

That the City Manager or his designee is authorized to negotiate and approve individual change orders up to a maximum of \$313,400, which is 5% of the original contract amount; and

That the City Manager or his designee is authorized to negotiate and approve cumulative change orders up to a maximum of \$940,200, which is 15% of the original contract amount; and

That an additional \$943,000 of 2018-19 CIP Bond Funds are appropriated for the construction of the Police Building and South Office Modifications Project through an amendment of the 2018-19 Budget described as follows:

|   |                  |
|---|------------------|
| Police Building and South Offices Modifications | \$943,000        |
| Casa Peralta Improvements                       | (\$943,000); and |

**BE IT FURTHER RESOLVED:**

That if the above named contractor is unable to execute the contract, then the City Manager is authorized to award this contract to the next lowest responsive bid by a responsible bidder, execute all documents to effect the award, and take all actions necessary to recover any bid security from the low bidder necessary to make the City whole in its acceptance of the lowest bid.