

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DAVID MONTAGUE, SUPERVISING ENGINEER
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: REJECT ALL BIDS – SANTA ROSA SERVICE HUB

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Engineering Services that the Council, by resolution, reject all bids for Construction Contract No. C01985 for the Santa Rosa Service Hub.

EXECUTIVE SUMMARY

This resolution will reject all bids submitted for the Santa Rosa Service Hub, per City Code § 3-44.100. The recommendation to reject bids is necessary because of building code compliance issues that came up during the bid. These issues are expected to cause significant change to the project as currently bid.

BACKGROUND

The property at 655 1st Street, and the adjacent property at 631-637 1st Street, was acquired in 2007 when the City of Santa Rosa was contemplating the need to expand the City's office facilities to provide for more space, consolidate administrative functions, allow for operating efficiencies, and to avoid additional lease costs for office space. There was also consideration that a new City Hall and performing arts center might be co-located on the "campus" that was created by the land occupied by the existing City Hall and City Hall Annex, First Street, and the two new buildings. At the time of acquisition, the building was not assessed for improvements or evaluated to determine the cost of renovation. Several events occurred to influence how the city would utilize the property since acquisition, including (1) the 2008 recession and subsequent operating and capital budget reductions, (2) the performing arts center remains located at Mark West Springs Road, (3) a space assessment for City operations and staff indicated additional office space was needed for numerous departments and offices, and (4) the City Manager and Council determined that the building at 655 1st Street was suitable for supporting "one stop" permit and planning services, as well as other transactions that could enhance customer service.

PRIOR CITY COUNCIL REVIEW

On May 8, 2007, the City Council, by Resolution No. 26833 approved certain lease financing documents and the sale of certificates of participation related to the acquisition and improvement of two buildings: the Chamber Plaza located at 631-655 First Street and the West America Bank building, located at 655 First Street in Santa Rosa.

On March 10, 2015 the City Council, by Resolution No. 28615 approved amendments to the 2014-15 Adopted Budget, including an expenditure adjustment of \$2,500,000 to the Open Door Initiative (aka 655 1st Street Service Hub or Service Center).

ANALYSIS

1. TLCD was contracted to provide design and engineering professional services. TLCD worked through the summer to provide conceptual plans and cost opinions. The Management Partners assessment of the Community Development Department (CD) also occurred during that time, and CD staff began developing an implementation plan for the Management Partners recommendations. In October 2015, TLCD was instructed to proceed with design and development of construction plans for a fully code-compliant building, but due to cost concerns, to design the project as a basic building that would not include furnishings, fixtures, equipment, or technology in the cost of construction. These items would need to be addressed by the City as a separate, later phase as tenant improvements once the programmatic occupancy is fully determined.
2. The project was advertised on March 31, 2016, and bids were received on April 20, 2016. A total of four (4) bids were received, ranging from \$2,811,373 to \$4,150,000. The low bid was 9.31% under the Engineer's estimate.
3. The recommendation to reject bids is necessary because of building code compliance issues that came up during the bid. These issues are expected to cause significant change to the project as currently bid.

FISCAL IMPACT

This action has no fiscal impact.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

NOTIFICATION

Not applicable

SANTA ROSA SERVICE HUB BID REJECTION
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ATTACHMENTS

- Attachment 1 – Location Map
- Attachment 2 – Summary of Bids

CONTACT

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