

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: GRANT BAILEY, SUPERVISING ENGINEER  
CAMRON MACDONALD, FACILITIES PLANNING  
COORDINATOR  
SUBJECT: TRANSPORTATION AND PUBLIC WORKS DEPARTMENT  
DESIGN-BUILD CONTRACT AWARD FOR PUBLIC SAFETY  
BUILDING GENERATOR REPLACEMENT, 955 AND 965  
SONOMA AVENUE

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works Department and the Police Department that the Council, by resolution: 1) award Design-Build Contract No. C02382, Public Safety Building Generator Replacement, in the amount of \$743,041.00 to the best value Design-Build entity, Western Machinery Electric, Inc., of Benicia, CA; 2) approve a 20% contract contingency, for a total contract amount of \$891,649.20; and 3) authorize appropriations of \$450,000.00 from the General Fund reserves for replacement of the emergency generator at the Public Safety Building.

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EXECUTIVE SUMMARY

This resolution will award a Design-Build contract to Western Machinery Electric, Inc., of Benicia, CA, in the amount of \$743,041 and approve a 20% contingency, for a total amount not-to-exceed \$891,649.20; and appropriate an additional \$450,000.00 from the General Fund to replace an emergency generator at the Public Safety Building (PSB), located at 955 and 965 Sonoma Avenue.

The PSB is a two story, 55,000 square foot building that contains Fire Station No. 1 and Police Department essential operations. A 2019 analysis determined that capacity of the existing generator at the Public Safety Building is not adequate to support all electrical functions necessary to sustain emergency operations in the building for an extended power outage, such as a Public Safety Power Shutoff. In March 2021, the City was awarded \$300,000 in Community Power Resilience Grant funds from California Governor's Office of Emergency Services (Cal OES) applicable to the purchase and installation of a new generator for the building. Utilization of a Design-Build process will expedite project delivery by coordinating the design and construction

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phases, which will enable expenditures of grant funds before the March 31, 2022 deadline.

As part of the General Fund 2021-22 Fiscal Year Budget, \$275,000.00 was appropriated for this project. Staff issued a Design-Build Request for Proposals (RFP) to replace the generator at the PSB. A selection committee was formed to review and rank proposals for best value based on ability to meet the interests of the City and objectives of the project. Based on this evaluation, the selection committee recommends Council award a Design-Build contract to Western Machinery Electric, Inc.

Staff further recommends Council appropriate an additional \$450,000.00 from the General Fund to fund the balance of project costs and a 20% contingency to address unforeseen issues and costs, possibly including those associated with price escalation and material/supply chain issues resulting from the COVID-19 pandemic and soft costs arising from any staff challenges related to the management of design, construction and permitting.

## BACKGROUND

The PSB, 955 and 965 Sonoma Avenue, is a two story, 55,000 square foot building that contains Fire Station No. 1 and Police Department essential operations.

The Public Safety Building currently has a generator that is only capable of powering some essential functions of the building during power outages. Due to Pacific Gas and Electric (PG&E) Public Safety Power Shutoffs (PSPS) during severe fire threat weather, extended power outages are becoming a more frequent occurrence in Santa Rosa.

In 2019, the City contracted with GHD, Inc. of Santa Rosa to perform an analysis on the existing generator and electrical systems it supports in the building. The analysis determined that the existing generator is not adequate to support all electrical functions necessary to sustain emergency operations in the building for an extended power outage, such as a PSPS.

Associated improvements are necessary for the successful installation of the new generator that include but are not limited to; demolition of existing paved surfaces to allow for the new larger generator foundation to be constructed, installation of electrical transfer switches, trenching to install electrical conduits and wires underground to the existing electrical panels, construction of protective bollards, and decommissioning of the existing generator.

In March 2021, the City was awarded \$300,000 in Community Power Resilience Grant funds from California Governor's Office of Emergency Services (Cal OES) applicable to the purchase and installation of a generator and generator connections necessary for the Public Safety Building essential facility. Grant funds must be expended by

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March 31, 2022.

As part of the General Fund 2021-22 Fiscal Year Budget, \$275,000.00 was appropriated for this project.

PRIOR CITY COUNCIL REVIEW

In January 2014, the City Council adopted Ordinance 4021, which established regulations for the award, use and evaluation of Design-Build contracts.

On August 17, 2021, the City Council, by motion, approved the use of the Design-Build procurement method as in the best interest of the City and authorized issuance of a Request for Proposals for the generator replacement at the Public Safety Building.

ANALYSIS

A Design-Build contract is an alternative contracting method in which a single contractor both designs and builds a project. This method expedites project delivery by overlapping the design and construction phases, which will enable expenditures from the grant funds before the March 31, 2022 deadline. Design-Build delivery can also reduce project costs and minimize disputes between designer and contractor. The proposed procurement method will follow Section 3-60 of the City of Santa Rosa Municipal Code. This method allowed for selection of a Design-Build firm based on performance objectives for this project which include, but are not limited to:

1. Supply the generator and associated improvements
2. Equipment warranty
3. Ability to obtain required permits
4. Utilize existing facilities and paved areas effectively
5. Meet required grant deadlines

Section 3-60 of the City of Santa Rosa Municipal Code allows the use of Design-Build contracts that include a not-to-exceed amount (referenced as a "Guaranteed Maximum Price" in sections of the City Code), authorized by the award authority. The not-to-exceed amount is the price set by the City and is the maximum amount the City expects project design and construction will cost. Since the Design-Build contract is awarded prior to the completion of the design, the not-to-exceed amount recommended by staff includes a 20% contingency allowing staff to authorize subsequent refinements in scope and price to the Design-Build Entity.

A Design-Build RFP was released on August 18, 2021 on PlanetBids, and proposals were due on September 28, 2021. A total of one (1) proposal was received. A Selection Committee reviewed the proposal based on the evaluation criteria outlined in Section 3-60.120 of the City Code. Upon completion of the proposal review process, the Selection Committee recommends that the City

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Council award a Design-Build contract to Western Machinery Electric, Inc. of Benicia, CA, the Design-Build entity whose proposal was determined to provide the best value meeting the interest of the City and objectives of the project.

A Notice to Proceed is expected to be issued in December 2021, and final completion of the project is expected by July 2022.

The 21-22 fiscal year budget appropriation for the project was based on a 2019 cost estimate for the generator replacement. Factors contributing to a higher-than-expected cost for the project are 1) the local construction economy has seen yearly continued growth, 2) commercial generators are in high demand and short supply 3) pandemic related issues with supply and distribution chains, and 4) "soft costs" or additional costs such as staff management of design, permitting, and construction management not included in the 2019 consultant analysis.

Estimated Project Budget:

Available funds:	\$575,000.00
Design-Build contract (NTE):	\$891,649.20
12% Construction management:	\$106,997.90
2% Misc. fees:	\$17,832.98
<u>Estimated Project Total:</u>	<u>\$1,016,480.08</u>
Additional Needs:	\$441,480.08
Budget Appropriation Request	\$450,000.00

FISCAL IMPACT

A journal ledger account, Number 95931 has been established and funded with \$300,000.00 from the Cal OES Community Power Resiliency Grant and \$275,000.00 from the General Fund. Funds were appropriated in the 2021-22 fiscal year budget. The additional balance of \$450,000.00 will be appropriated from the General Fund.

ENVIRONMENTAL IMPACT

This project is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 Class 1 (a) because it is a minor alteration of an existing public structure and involves no expansion of the existing or former use. The project is abutting a creek but is proposed to be constructed outside of the creek setback, therefore, no exceptions to the exemption would apply.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

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NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

CONTACT

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