

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: LISA WELSH, ACTING SUPERVISING ENGINEER
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: DESIGN-BUILD CONTRACT AWARD AND BUDGET
AMENDMENTS FOR THE FIRE STATION 5 RESILIENCY AND
RELOCATION PROJECT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Fire Department, Finance Department and the Transportation and Public Works Department that the Council, by resolution: 1) award a Design-Build Contract No. C02184, Fire Station 5 Resiliency and Relocation project using the City's standard Design Build Contract, in the amount of \$15,241,753 to the best value Design-Build entity, Wright Contracting LLC of Santa Rosa, CA; 2) approve a 20% contract contingency, for a total contract amount of \$18,290,103.60; and 3) amend the FY 2022-23 budget to a) increase appropriations from the General Fund reserves in the amount of \$2,832,504, and b) increase appropriations in the amount of \$16,939,076 from Community Development Block Grant-Mitigation (CDBG-MIT) federal grant funds and increase federal grant revenue estimates by \$16,939,076.

EXECUTIVE SUMMARY

This resolution will award a Design-Build Contract No. C02184, Fire Station 5 Resiliency and Relocation project (Project), to Wright Contracting LLC of Santa Rosa, CA, in the amount of \$15,241,753 and approve a 20% contingency, for a total amount not-to-exceed \$18,290,103.60; and amend the FY 2022-23 budget to 1) increase appropriations from the General Fund reserves in the amount of \$2,832,504, and 2) increase appropriations in the amount of \$16,939,076 from Community Development Block Grant-Mitigation (CDBG-MIT) federal grant funds and increase federal grant revenue estimates by \$16,939,076.

The Project furthers Council goals #3 to ensure a healthy and safe community for all, and #5 to build and maintain a sustainable infrastructure.

Fire Station 5 was formerly located at 2201 Newgate Ct, but was destroyed in the 2017 Tubbs Fire (Fire). In 2018, temporary Fire Station 5 operations were constructed at 3480 Parker Hill Road to ensure continued service to the community; however, the

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temporary fire station does not meet Wildland Urban Interface (WUI) requirements and must be dismantled after a permanent Fire Station 5 is constructed. On February 15, 2022, Council approved the acquisition of a portion of 1400 Fountaingrove Pkwy from Keysight Technologies for the purpose of relocating and rebuilding Fire Station 5 at a site that will improve service, allow for upstaffing, and serve as a forward command post during large emergencies. The new approximately 8,690 square foot fire station will be built to Leadership in Energy and Environmental Design (LEED) standards.

Staff utilized a two-step Design-Build procurement process in accordance with Section 3-60 of the City of Santa Rosa Municipal Code to select a Design-Builder to design and construct the Project. A Request for Qualifications was issued on June 2, 2022, and five (5) Design-Build teams were prequalified and invited to participate in step 2, Request for Proposals. Five (5) proposals were received, and they were reviewed and scored by the Selection Committee. The Selection Committee recommends that the Council award a contract to Wright Contracting LLC of Santa Rosa, CA, whose proposal was determined to provide the best value to the City.

The funding plan for this Project is \$24,831,989. This amount includes previous appropriations from the General Fund (\$1,235,589), PG&E settlement funds (\$3,824,820), proposed appropriations from insurance proceeds (\$2,832,504) and CDBG-MIT grant funding (\$16,939,076).

BACKGROUND

Fire Station 5, formerly located at 2201 Newgate Ct, was destroyed in the Fire. In 2018, a temporary Fire Station 5 was constructed at 3480 Parker Hill Rd to ensure continued service to the community. The fire house and apparatus shelter are leased from the Menlo Park Fire Protection District. The temporary fire station structures do not meet the WUI building requirements but were permitted as temporary use structures under the Resilient City Development Measures Ordinance. The Ordinance allows the structures to be in use for a period of five (5) years following the date of approval of the Temporary Use Permit. The temporary fire station use permit will expire in October 2023; however, staff will seek an extension until the Project is completed.

Following the Fire, the Fire Department (FD) reviewed its coverage maps and Standards of Coverage and Deployment Plan and determined that the 2201 Newgate Ct Fire Station 5 was not located in the most ideal area for prime service coverage and call times. With Council approval, the FD began a search with Real Estate Services to identify available land to rebuild the fire station in a location that would better serve the fire ravaged neighborhood. On February 15, 2022, Council approved the acquisition of an approximately 2.11-acre portion of 1400 Fountaingrove Pkwy from Keysight Technologies for the purpose of relocating and rebuilding Fire Station 5 at a site that will improve service, allow for upstaffing, and serve as a forward command post during large emergencies. The Project will restore permanent service to the Fountaingrove neighborhood and provide protection of the WUI.

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The proposed Project and acquisition required preparation of an Initial Study/Mitigated Negative Declaration (IS/MND), and Mitigation Monitoring and Reporting Program (MMRP) in accordance with the California Environmental Quality Act (CEQA). The IS/MND was completed, and the City Council adopted the MMRP and approved the Project on February 15, 2022.

Parallel to the environmental and acquisition phases, staff applied for Community Development Block Grant – Mitigation (CDBG-MIT) funds through the State of California Housing and Community Development (HCD) Disaster Recovery Program to aid in the rebuild of Fire Station 5. Prior to award of the CDBG-MIT federal funds, the City was required to 1) prepare an Environmental Assessment (EA) for the proposed Project in accordance with the National Environmental Policy Act of 1969 (NEPA); and 2) complete the acquisition. The Project EA was approved by the City's Certifying Officer on January 25, 2022; and the acquisition was completed on April 6, 2022.

On August 31, 2021, the City Council, by motion, approved use of Design-Build procurement method as in the best interest of the City and authorized issuance of a Request for Proposals for the Project. A Design-Build contract is an alternative contracting method in which a single Design-Build Entity both designs and builds a project. The procurement method followed Section 3-60 of the City of Santa Rosa Municipal Code and was designed to adhere to federal procurement procedures required for the CDBG-MIT grant funding. This method allows for selection of a Design-Build firm based on an initial prequalification process and a follow up Request for Proposals (RFP) process based on performance objectives established for the Project. A major benefit for the use of Design-Build on the Project is that a Design-Build process will expedite expenditure of CDBG-MIT funds by overlapping design and construction phases and reducing the overall project delivery schedule in order to meet the CDBG-MIT expenditure deadline of August 31, 2025.

PRIOR CITY COUNCIL REVIEW

On February 6, 2018, the Council, by resolution, approved a Use Agreement for the use of a temporary modular fire station and apparatus tent owned by the Menlo Park Fire Protection District.

On April 10, 2018, the Council adopted Ordinance No. ORD-2018-006 amending Title 20 of the Santa Rosa City Code, adding Chapter 20-16, Resilient City Development Measures, to address housing needs and economic development within the City of Santa Rosa following the Tubbs and Nuns fires of October 2017.

On June 26, 2018, the Council, by resolution, approved the Temporary Fire Station 5 project and awarded the Temporary Fire Station 5 construction contract.

On July 10, 2018, the Council, by motion, approved Fire Department staff to evaluate and recommend a permanent fire station location and design for service delivery to the Fountaingrove area.

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On May 7, 2019, in closed session, Council gave direction to staff on price and terms to negotiate the purchase of the Property in order to relocate and rebuild Fire Station 5.

On October 27, 2020, the Council, by motion, awarded a contract to RossDrulisCusenbery Architecture, Inc. of Sonoma, California for environmental and concept design services.

On February 9, 2021, the Council reviewed a Study Session presentation showing the top seven highest priority projects related to wildfire preparedness, mitigation, and resiliency which had been requested to be funded with PG&E settlement funds.

On March 23, 2021, the Council, by resolution, authorized the City Manager or Assistant City Manager, or designee, to enter into, execute and deliver agreement(s), applications and other documents for CDBG-DR and CDBG-MIT grant funding.

On August 31, 2021, the Council, by motion, approved use of Design-Build procurement method as in the best interest of the City and authorized issuance of a Request for Proposals for the Project.

On February 15, 2022, the Council, by resolution, approved the recommended PG&E Settlement fund projects and appropriated PG&E Settlement funds to the Project account.

On February 15, 2022, the Council, by resolution, adopted the MMRP, approved the Project, and approved the acquisition of an approximately 2.11-acre portion of 1400 Fountaingrove Parkway for the new Project site.

ANALYSIS

The scope of work for the new Fire Station 5 Resiliency and Relocation project (Project) includes, but is not limited to, the following:

- An approximately 8,690 square-foot, one story Essential Services fire station building providing:
 - Six (6) dorm rooms allowing for upstaffing during weather events
 - Three (3) drive through apparatus bays
 - Photovoltaic solar system
 - Fire resiliency complying with Wildland Urban Interface (WUI) requirements
 - Adequate space to convert into a forward command post for emergency response
- An approximately 10,295 square-foot operations yard providing:
 - Emergency generator serving the fire station during power outages
 - Fuel storage for the apparatus
 - Staff vehicle parking including electric vehicle charging stations

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- A public art piece accessible from the public area of the site
- Landscaping utilizing low maintenance, low water use, fire safe, native species, and tree mitigation, including water smart irrigation controllers and drip irrigation
- Low Impact Development (LID) for on-site storm water retention
- Public parking including an electric vehicle charging station
- Meeting LEED standard for environmentally responsible construction
- Right of way improvements including:
 - Traffic signal alterations at the intersection of Fountaingrove Parkway and Stagecoach Road
 - Median alterations providing ingress and egress access for the apparatus
 - Sidewalk and curb ramp replacement improving accessibility
- PG&E and AT&T existing underground utility and easement relocation
- Keysight, PG&E and AT&T access road
 - Required per the acquisition agreement, and for utility company access to underground utilities and the AT&T facility located on Keysight's property

An approximately 1,831 square foot 2nd floor community meeting suite and 20 space overflow parking lot (add alternates) were considered as part of the Project. The Design-Builder provided pricing for the add alternates of \$2,524,717 plus contingency, which would require an additional contract encumbrance of \$2,903,418.80. Following consultation with the Fire Department, staff does not recommend including the add alternates in the Project since 1) the increased cost would exceed the available Project budget and 2) sufficient programming for the space has not been identified which leads to an expectation that the space would be underutilized.

In December 2022, under an existing vendor contract, required tree removal was completed, utilizing local Project funds. The trees were removed outside of the avian nesting season, which extends from February 1 through September 15. Trees removed will be mitigated in accordance with the City's Tree Ordinance, requiring 70 trees to be planted either onsite or offsite at other City properties as needed. Much of the removed material was processed through a wood-chipper on site, and the wood chips utilized on site or at a local City park as mulch.

Step 1 Request for Qualifications

On June 2, 2022, staff released the Request for Qualifications (RFQ) for the Project with the intent to pre-qualify at least three and a maximum of five Design-Builders to participate in the subsequent Request for Proposals (RFP) process for the Project. A total of 830 vendors were notified through PlanetBids, the online bidding platform, and 68 vendors registered as prospective bidders. On June 30, 2022, the City received five (5) Statements of Qualifications (SOQ).

In accordance with Santa Rosa City Code Section 3-60.120, a Selection Committee was formed. The Selection Committee, comprised of five (5) members, reviewed, and scored SOQs based on the following criteria:

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- Responsiveness to the terms and conditions of the RFQ
- Design-Builder's organization and members
- Key Personnel qualifications and experience
- Relevant project experience
- Delivery capacity and approach
- Environmental health and safety
- Experience and requirements for federal grants

Parallel to the Selection Committee's review, staff also checked references, licensing, and debarment databases for all five respondents and confirmed eligibility. The Selection Committee recommended all five Design-Builders be invited to participate in the RFP.

Step 2 Request for Proposals

On September 8, 2022, staff released the RFP to all five pre-qualified Design-Builders and on November 8, 2022, the City received five (5) proposals. The Selection Committee reviewed and scored proposals based on the following criteria:

- Responsiveness to the terms and conditions of the RFP
- Design-Builder's organization and members
- Proposed design
- Delivery capacity, approach, and scope of services
- Schedule
- Environmental Health and Safety
- Price proposal

The Selection Committee's averaged scores for each Design-Builder team were as follows:

| Design-Builder (alphabetical order) | Total score (rounded) | Ranking |
|--|-----------------------|---------|
| Alten Construction Inc. and LCA Architects | 383 | 4 |
| Arntz Builders Inc and TLCD Architecture | 389 | 3 |
| Diede Construction Inc. | 324 | 5 |
| Swinerton Builders and SKA | 430 | 1 |
| Wright Contracting and COAR Design Group | 397 | 2 |

The lowest three (3) scoring proposals were eliminated after the initial scoring and the top two (2) were invited to participate in interviews to allow the Selection Committee to make their final decision based on the highest average score from the interview. Interview scoring was as follows:

| Design-Builder (alphabetical order) | Total score (rounded) | Ranking |
|--|-----------------------|---------|
| Swinerton Builders and SKA | 76 | 2 |
| Wright Contracting and COAR Design Group | 85 | 1 |

Following the proposal evaluation process, the Selection Committee recommends that

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the City Council award a contract to Wright Contracting LLC of Santa Rosa, CA for the Project using the City's standard Design Build Contract.

Site specific factors contributing to a higher than typical fire station construction cost include: 1) protection and setback to the existing creek tributary, 2) slope, and 3) rocky soil that includes large boulders and shallow bedrock. Therefore, an independent construction cost estimate for the Project was obtained under the contract with RossDrulisCusenbery on February 1, 2021, and updated on June 27, 2022, due to unprecedented inflation. Wright's construction portion of the cost proposal is approximately 7% under the independent construction cost estimate; staff therefore recommends awarding the contract.

Estimated Project costs:

| Task | Budget |
|--|---------------------|
| Pre-design tasks (acquisition, concept design, CEQA, NEPA, CDBG application, RFQ/RFP) | \$1,200,000 |
| Design-Build contract including 20% contingency | \$18,290,103 |
| Permits, project management, construction management and inspection services (estimated) | \$2,500,000 |
| Furniture, Fixtures and Equipment (estimated) | \$80,000 |
| Project contingency | \$2,761,886 |
| Total Project budget | \$24,831,989 |

Estimated project schedule milestones:

Notice to Proceed: March 2023

AT&T/PG&E utility relocations complete: Fall 2023

Fire Station design complete/permits obtained: Fall 2023

Fire Station construction begins: Fall 2023

Project complete: Spring 2025

Funding Plan

The funding plan for this Project totals \$24,831,989. This amount includes previous appropriations from the General Fund (\$1,235,589) and PG&E settlement funds (\$3,824,820), in addition to proposed appropriations from insurance proceeds (\$2,832,504) and CDBG-MIT grant funding (\$16,939,076).

In October 2022, the City and HCD signed the Notice to Proceed (NTP) for the CDBG-MIT federal grant funding for the Project. The NTP is an authorization from HCD for the City to begin eligible expenditures against the \$16,939,076 maximum amount awarded for the Project. The funding agreement allows for eligible expenditures to be reimbursed through invoices submitted to HCD after the work is performed.

In addition, after the 2201 Newgate Court Fire Station 5 was destroyed in the 2017 Tubbs Fire, the City received insurance proceeds. In a prior fiscal year, these proceeds

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were deposited in the General Fund reserves to be used for the construction of a replacement fire station.

FISCAL IMPACT

There is no ongoing fiscal impact to the General Fund from this action. General Fund reserves in the amount of \$2,832,504 will be appropriated using JL 05018. This amount represents insurance proceeds, which were deposited in the General Fund in a prior fiscal year, to be used for the construction of the new fire station. The use of these reserves has been accounted for in General Fund reserve calculations and its use does not draw the reserves below its Council policy-mandated 17% of General Fund operating expenses.

Additionally, \$16,939,076 of CDBG-MIT will also be appropriated into JL 05117. The source of these funds is a federal grant and as such will not have a negative impact on the General Fund unless construction costs exceed the approved grant award.

ENVIRONMENTAL IMPACT

The contract award is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378. However, as indicated above, an Initial Study was conducted that resulted in a Mitigated Negative Declaration for the Project. The IS/MND concludes that the proposed Project would not result in any significant or potentially significant effects on the environment if the mitigation measures identified in the IS/MND are adopted and made conditions of approval of the proposed Project. The City Council adopted the MMRP for the Project on February 15, 2022, and it is incorporated into the Design-Build contract documents. Therefore, no additional environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Resolution

CONTACT

Lisa Welsh, Acting Supervising Engineer, LWelsh@srcity.org, 707-543-3909