



**DATE:** January 24, 2017

**TO:** Mayor and City Council

**FROM:** Director of Utilities & Environmental Services

**SUBJECT** Utilities Storage Prefabricated Building: Award of Construction Contract and Appropriation of Funds

### **RECOMMENDATION**

That Council adopts the attached resolutions:

1. Awarding the construction contract to BRM Construction, in the amount of \$131,000.
2. Appropriating additional funds in the amount of \$61,000 in FY 2017.

### **BACKGROUND**

The existing utility storage tent structure at the City's Corporation Yard was acquired from the General Fund following the use of the tent for Fire Station #1. The structure had been originally utilized to temporarily house a fire station during its construction in mid-1990s and afterwards transferred to Utilities and moved to the Corporation Yard. It is located adjacent to the Hayward Animal Shelter and used to store portable emergency equipment, generators, pumps, pipes, valves, and various equipment. The tent structure is on a slab foundation, which was constructed in 1996.

The fabric shell has an estimated seven to ten-year life and was last replaced around 2004. Staff considered replacing the fabric shell in-kind. However, the lifecycle cost of a metal structure compares favorably to having to replace the tent shell every seven to ten years at a cost of about \$100,000.

To improve safety and security, and long-term performance, staff recommends a prefabricated metal building. The new storage building would be made of solid steel, I-beam construction for the structural frame and 26-gauge galvanized steel panels for the roof and walls.

### **DISCUSSION**

On December 8, 2016, the City received five (5) bids. BRM Construction submitted the low bid in the amount of \$131,000, which is approximately 6.43% below the Engineer's Estimate of \$140,000. Plummerbuilt, Inc. submitted the second lowest bid in the amount of \$145,500. The bids ranged from \$131,000 to \$239,600.

Staff recommends award of contract to the low bidder, BRM Construction, in the amount of \$131,000.

On November 15, 2016, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applied to city projects with construction costs of \$1,000,000 or more. This agreement requires contractors to use local union hiring halls, encourages contractors to employ Hayward residents or Hayward Unified School District graduates, and requires hired workers to pay union dues and other benefit trust fund contributions, etc. Because the construction cost estimate for the Utilities Prefabricated Building Project is less than \$1,000,000, the CWA agreement does not apply to this project.

**ECONOMIC IMPACT**

There are no economic impacts to Hayward residents.

**FISCAL IMPACT**

The estimated project costs are as follows:

Project Design and Administration – City Staff	\$30,000
Testing and Inspection Services (Estimated)	\$10,000
Construction of Prefabricated Building	<u>\$131,000</u>
Total:	\$171,000

A total of \$110,000 has been appropriated for this project in the Water System Replacement Fund in Fiscal Year 2017. As shown above, the current total estimated cost to design and construct the prefabricated building exceeds this amount. The original estimates were based on the assumption that the tent shell would be replaced in-kind. Staff requests that Council appropriate additional funds in the amount of \$61,000 from the Water System Replacement Fund (603) to fully fund the project in FY 2017. Adequate fund balance is available to cover the necessary appropriation.

This project is fully funded through the Water System Replacement Fund and will have no impact on the General Fund.

**PUBLIC CONTACT**

No residents or property owner will be affected.

## **NEXT STEPS**

Following Council approval, staff will award the construction contract. The following schedule has been developed for this project:

Award Construction Contract	January 24, 2017
Notice to Proceed	February 2017
Construction Completion	May 2017

*Prepared by:* Tay Nguyen, Assistant Civil Engineer

*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:



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Kelly McAdoo, City Manager