



DATE: August 9, 2022

TO: Mayor and City Council

FROM: Director of Maintenance Services

SUBJECT: Adopt a Resolution Awarding a Contract to The Garland Company for the Hayward Police Department Roof Replacement - 300 W. Winton Ave CIP Project No. 07203, in an Amount Not-to-Exceed \$1,160,865

RECOMMENDATION

That the Council adopts resolutions (Attachments II and III): 1) Authorizing the City Manager to negotiate and execute a contract, in a form approved by the City Attorney, with The Garland Company, in an amount not-to-exceed \$1,160,865 for a complete roof replacement to Hayward Police Department Headquarters at 300 W. Winton Ave; 2) Authorizing the transfer and appropriation of \$1,160,865 from the Workers' Compensation Fund to the General Fund Capital Fund; and 3) Authorizing the transfer of \$5,902,372 from the Workers' Compensation Fund to the General Fund to reimburse for over-allocations from prior fiscal years.

SUMMARY

The Hayward Police Department Headquarters (HPD) building at 300 W. Winton Ave. was built in 1975. The Maintenance Services Facilities Division is tasked with all preventative maintenance and component replacement within this facility. Timely preventative maintenance and capital replacement schedules are vital to maximizing the useful life of a facility's overall infrastructure, building systems, and components. Since the facility originally opened, a combination of periodic repairs and a timely preventative maintenance schedule have allowed the original roof from 1975 to remain serviceable well beyond its expected 30-40-year life cycle. However, based on the current condition, the roof is now in need of replacement. Over the past 5 years, occurrences of rainwater leaking into staff work areas has become all too frequent. This roofing replacement project is part of Facilities' commitment to provide facilities for employees and the public that are serviceable and in a good state of repair.

To expedite the bidding process and obtain the best pricing on the required work, staff was able to utilize a publicly bid, pre-negotiated agreement through its membership with OMNIA Partners, which specializes in public sector cooperative purchasing opportunities. To take advantage of the City's partnership with OMNIA Partners, staff is requesting that Council grant approval to authorize the City Manager to execute a contract with The Garland Company in an

amount not-to-exceed \$1,160,865.

There is insufficient budget appropriation in the CIP to cover the cost of the \$1,160,865 contract with Garland Company for the replacement of the roof at the Hayward Police Department Headquarters. Several years ago, the Workers' Compensation Fund was severely underfunded. In an effort to improve funding levels, an additional percentage was applied on top of the standard rate. This additional percent should have been adjusted in a previous fiscal year, but had not been adjusted. This resulted in the City achieving a funding level above the recommended 80 percent in the Workers Compensation Fun. The City's Workers' Compensation Fund has a fund balance greater than necessary, and staff recommends transferring fund balance from the Workers' Compensation Fund to the General Fund Capital Fund to cover the costs of the contract with Garland Company and then transferring the remaining excess balance to the General Fund. Attachment III recommends the transfer of \$5,902,372 to the General Fund as reimbursement from prior year over-funding to the City's Workers' Compensation Fund.

BACKGROUND

In order to best understand current conditions and plan for the timely replacement of existing facility infrastructure components, in May 2018, with the assistance of a structural engineer, the Facilities Division completed a citywide facility condition assessment of all city-maintained buildings. The Facility Condition Assessment (FCA) noted that the roof at HPD had reached the end of its useful life, showing signs of excessive wear and aging, urgent repairs or a complete replacement was recommended. Based on the current age (47 years) since it was installed, and the roofs current condition, it's recommended that a total roofing replacement be completed. This roofing replacement project is part of the Facilities CIP replacement plan that supports our commitment to provide facilities for our employees and the public that are serviceable and in a good state of repair.

DISCUSSION

The vendor selected for the roof repair is The Garland Company, which specializes in turnkey roofing and waterproofing solutions. Vendor selection and pricing is provided under the terms of OMNIA Partners (formerly known as US Communities), which was a publicly bid, pre-negotiated agreement that was awarded to The Garland Company by Racine County, Wisconsin. This procurement method is commonly known as cooperative purchasing or "piggy-back" purchasing. It is a method utilized by public agencies at the local, state, and federal levels to leverage beneficially priced contracts for services. This competitive process satisfies Municipal Code Section 2-8.09, which requires contracts for maintenance services in excess of \$10,000 to be informally bid and authorized by purchase order or agreement for services. This process has been utilized by the City for numerous cooperative contracts, including CDW-G, Fastenal, Knoll, GOJO Industries, W.W. Grainger, and Georgia Pacific.

The Garland Company has completed numerous projects for cities throughout the Bay Area. In the East Bay Area, other cities utilizing the OMNIA contract include City of Oakland, City of San Leandro, and the City of Alameda.

The work performed for these cities by The Garland Company consists of roof repairs, sealing of

exterior walls, liquid applied roof restorations, and roof replacements.

The new roof being installed at Hayward PD is a low slope, 2 ply modified bitumen roof system that meets Title 24 requirements. This system was specifically chosen for its long-lasting high performance while also having minimal odor or noise disruption during installation. One of the key factors in the selection of the roofing type and vendor is that the roof system includes a 30-year No Dollar Limit warranty. Garland will cover the labor and material cost of any leak that occurs over the life of the 30-year warranty period.

The contract with Garland Company will be funded by a transfer from the Workers' Compensation Fund to the General Fund Capital Fund. The Workers' Compensation Fund has a fund balance greater than necessary, and above the recommended 80 percent funding ratio. Several years ago, the Workers' Compensation Fund was severely underfunded. In an effort to build adequate fund balance, an additional percentage was added to the standard rates. The additional percentage should have been removed from the standard rate in a prior fiscal year; however, the rates were not adjusted. This resulted in a fund balance that exceeded the recommended funding ratio. In addition to transferring funds from the Workers' Compensation Fund to the General Fund Capital Fund for the contract with Garland Company, staff recommends the transfer of \$5,902,372 to the General Fund fund balance as reimbursement for prior year over-funding to the City's Workers' Compensation Fund. The additional percentage will be removed from future Workers' Compensation rates.

ECONOMIC IMPACT

No economic impact is associated with this item.

FISCAL IMPACT

The Garland Company has provided the City with a roofing material and service proposal in an amount not-to-exceed \$1,160,865, including taxes, bonds, permits, and a 5% contingency.

CIP 7203 – Roofing	Project Cost
Roof Replacement	\$1,105,586
Contingency Cost 5%	\$55,279
Total Project Cost	\$1,160,865

The FY 2023 adopted budget has insufficient budget to cover the cost of the contract with Garland Company. An additional budget appropriation in the amount of \$1,160,865 is needed to fund the project. Staff recommends the transfer of \$1,160,865 from the Workers' Compensation Fund to the General Fund Capital Fund. The City currently has greater than necessary fund balance in the Workers' Compensation Fund to cover the cost of the Garland Company contract.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Infrastructure.

SUSTAINABILITY FEATURES

The Maintenance Services Facilities Division is committed to developing projects that are environmentally responsible. Therefore, staff will ensure than the work scope proposed by the contractor incorporates features that are in line with the City's sustainability guidelines.

NEXT STEPS

If the Council adopts the attached resolutions, staff will finalize the agreement with the awarded vendor and cause the agreement to be executed. It is expected that the project will be completed by end of calendar year 2022.

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Recommended by: Todd Rullman, Director of Maintenance Services

Approved by:



Kelly McAdoo, City Manager