



DATE: June 24, 2025

TO: Mayor and City Council

FROM: Acting City Manager

SUBJECT: Adoption of Resolutions Authorizing the City Manager to Execute Contract Amendments with AEI Consultants by Increasing the Not-to-Exceed Amount to \$600,000 and DLR Group Inc., by Increasing the Not-to-Exceed Amount to \$6,317,369, to Support the Construction of the Stack Center Phase II Project

RECOMMENDATION

That Council adopts 1) a resolution (Attachment II) authorizing the City Manager to execute an amendment to the contract with AEI Consultants (AEI) to increase the not-to-exceed amount by \$200,000, for a total not-to-exceed amount of \$600,000 to provide environmental services; and 2) a resolution (Attachment III) authorizing an amendment to the contract with DLR Group Inc. (DLR) to increase the not-to-exceed amount by \$1,721,615 for a total not-to-exceed amount of \$6,317,369 for design development and construction services for the Stack Center Project.

SUMMARY

Community members and elected officials have long held the dream of building a new South Hayward Youth and Family Center at the corner of Tennyson and Ruus Roads, referred to as the Stack Center. Phase I construction was completed March of 2025. Following a City Council work session in April 2024, City Council directed staff to move forward with Phase II.¹ Staff has been working with the project architect, DLR (formerly RossDrulisCusenbery) for design, permitting, and construction oversight work and with AEI for environmental services required by Alameda County Department of Environmental Health (ACDEH). To continue the necessary work for Phase II, staff seeks council approval to: 1) execute a contract amendment for DLR Group to continue with master planning, design and construction documents; and 2) execute a contract amendment with AEI to provide a vapor intrusion mitigation system design, and reporting services to ACDEH to address soil contamination discovered at the beginning of the project.

¹ [CITY OF HAYWARD - File #: WS 24-010](#)

BACKGROUND AND DISCUSSION

On April 16, 2024, Staff held a work session for Council to review the Stack Center project phasing.² At the work session, Council directed staff to move forward with Stack Center Phase II project. One of the first costs associated with construction of Phase II is additional environmental testing and mitigation design. Staff recommends continuing services with AEI due to ongoing collaboration on the project and their familiarity with the site's environmental conditions. An additional \$200,000 expenditure is requested to cover the cost of completing the mitigation system design, and to perform any required future testing to ensure compliance with ACDEH for Phase II of the project.

Since the beginning of the project, staff has been collaborating with Alameda County Department of Environmental Health (ACDEH) due to a nearby site with impacted soil, gas, and groundwater. As part of Phase I, the city has worked closely with ACDEH, which required sub-slab soil gas sampling. The results were within the acceptable limits for commercial properties but above the allowable limits for residential uses. Given that the Stack Center building will serve families and children, the County has taken a precautionary approach requesting additional mitigation measures. This process involves close coordination and ongoing testing, which is why continued engagement with AEI is essential at this stage.

In addition to environmental testing costs, Phase II also requires updated design and construction administration services. In June 2018, the City issued a Request for Proposals (RFP) for the creation of a building program and preliminary design. DLR was selected as the highest-ranked firm by the Stack Center Governance Group. On February 5, 2019, Council authorized the City Manager to execute a contract with DLR (formerly RossDrulisCusenbery), for master planning, design and construction documents for the project.³

In 2022, due to funding constraints, the City and its partners decided to phase the project to leverage available grants and avoid delays. This strategy allowed the City to complete construction on Phase I using secured funds while continuing to pursue additional resources for funding future phases. On May 3, 2022, Council approved this phased approach and directed staff to prepare documents for Phase I construction.⁴

DLR has since completed design documents and construction administration for Phase I. Staff recommends continuing with DLR's support to ensure continuity in project execution as the team transitions into Phase II. As the original architecture firm for the Stack Center, DLR has been closely involved with the early planning efforts, community engagement and the completion of Phase I. Their ongoing role will help ensure that Phase II maintains alignment with the overall project vision and long-term goals for the community.

² [CITY OF HAYWARD - File #: WS 24-010](#)

³ [CITY OF HAYWARD - File #: CONS 19-069](#)

⁴ [CITY OF HAYWARD - File #: LB 22-012](#)

To support this works, staff is requesting an amendment to DLR's contract to including preparing for bid and construction administration. This is an additional expenditure of \$1,721,615, bringing the total not-to-exceed amount to \$6,317,369. This not-to-exceed amount covers design development and construction administration services for Phases I and II, and is consistent with industry standards, where these services typically represent approximately 10% of the total project cost.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project(s):

FP6: Complete Phase I construction of the Stack Center and continue fundraising, with the goal of beginning Phase II in FY25.

ECONOMIC IMPACT

This item will provide a positive economic impact by ensuring public health and safety through completing environmental studies and implementing mitigation strategies.

FISCAL IMPACT

The Adopted FY 2025 CIP Budget appropriated sufficient funds in the Stack Center Project, Project No. 06960. There will be no impact to the General Fund.

PUBLIC CONTACT

This item requires no public contact.

NEXT STEPS

If approved, staff will execute contract amendments to the original agreements with DLR Group Inc. and AEI Consultants for their services to support the Stack Center Phase II Project.

Prepared by: Irene Perez, Management Analyst II

Recommended by: Mary Thomas, Assistant to City Manager

Approved by:



Michael Lawson, J.D.
Acting City Manager