



DATE: October 8, 2024

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 1 to Increase the Professional Services Agreements with Kitchell CEM for Extended Construction Support Services by \$2,138,812 for a Not-to Exceed Amount of \$2,658,812 for The Stack Center Phase I and Phase II Projects, Project No. 06960

RECOMMENDATION

That Council adopts the attached resolution (Attachment II) to Amend the Professional Services Agreement (PSA) not-to-exceed amount of \$520,000 with Kitchell CEM (Kitchell) for extended construction management services in the amount of \$136,675 (Attachment III) for The Stack Center Phase I project to approve an additional \$2,002,137 (Attachment IV) for The Stack Center Phase II project, for a total of \$2,138,812, for a Not-to Exceed Amount of \$2,658,812.

SUMMARY

Under the existing PSA, Kitchell provides construction management services for The Stack Center Phase I Project which is currently under construction for a not-to-exceed amount of \$520,000.

The Stack Center Phase I project consists of rehabilitating the existing Matt Jimenez Community Center (MJCC) to house a preschool and daycare facility and improving external elements surrounding the MJCC (Attachment V). The project commenced construction on February 13, 2024, and is scheduled for completion in November 2024. Kidango’s affordable childcare programming is anticipated to move into the MJCC in Spring 2025.

Originally, construction of the Phase I project was to begin in November 2022. However, due to delays in obtaining an environmental site clearance from Alameda County Department of Environmental Health (ACDEH) and obtaining City permits, construction was delayed and began over a year later in February 2024. During this time, Kitchell expended unexpected but needed support services between November 2022 and February 2024. The current budget allocated for services by Kitchell will not be sufficient to close out the project. Staff is requesting an amendment in the amount of \$136,675 with Kitchell which is necessary to complete the Phase I project.

The Stack Center Phase II project consists of demolishing all north campus existing buildings except for the Silva Clinic, construct a new 32,000 square foot building (first floor tenant improvements and second floor core and shell), and site work improvements (Attachment V). The design and obtaining of permits of the Phase II project is estimated to be complete by the end of 2024. Construction is anticipated to begin in Spring 2025 and be complete in Summer 2027.

Staff is requesting approval of an amendment in the amount of \$2,002,137 with Kitchell for the Phase II project. With this amount, Kitchell will provide design support service and construction management necessary to complete the Phase II project.

BACKGROUND

On July 5, 2022¹, Council adopted a resolution authorizing the City Manager to negotiate and execute a PSA with Kitchell for construction management for Phase I of the Stack Center in a not to exceed amount of \$520,000.

On June 20, 2023², Council adopted a resolution approving the plans and specifications and call for bids for The Stack Center – Phase I Project.

On December 12, 2023³, Council adopted a resolution rejecting a bid from CWS Construction Group, Inc. and awarding construction contract to Rodan Builders Inc. for The Stack Center – Phase I Project, Project No. 06960 in the amount of \$8,699,000 and authorizing an administrative change order budget of \$871,000.

On February 13, 2024, construction commenced on The Stack Center – Phase I project.

DISCUSSION

Throughout the course of the design and construction of the Phase I project, services provided by Kitchell have been necessary to ensure that construction complies with project plans, specifications and stays within budget.

For the Phase I project, the design phase was extended by one year due to delays in obtaining an environmental site clearance from ACDEH and obtaining City permits. Kitchell expended unexpected and needed services during the design phase and the continued support during construction. The current budget allocated for services by Kitchell will not be sufficient to close out the Phase I project. Staff is requesting an amendment in the amount of \$136,675 with Kitchell which is necessary to complete the Phase I project.

For the Phase II project, Kitchell’s scope of work consists of services in the following four phases:

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5714870&GUID=25CAD6D-B705-4A12-8A7D-A299B349E9A6&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=6264038&GUID=FCB77542-6C81-473E-A003-C676B8186C9C&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6448370&GUID=B99D58E6-FC5A-43DD-B61C-070BFE9F78EC&Options=&Search=>

1. **Design Phase** – Assist in reviewing design consultant’s construction plans, specifications, and estimates.
2. **Bid Phase** – Assist in preparing bid documents, conducting pre-bid meeting, responding to bidder’s questions, assisting City in bid opening and construction contract execution.
3. **Construction Phase** – Provide full-time on-site staff to administer the construction contract during construction phase.
4. **Project Closeout Phase:** Assist in managing punch list and transmit project documents to the City after final close-out tasks are complete.

For the Phase II project, Staff is requesting an amendment in the amount of \$2,002,137 with Kitchell which is necessary to complete the project.

Kitchell’s cost proposal is based on an estimated schedule:

- Design & Permit phase: August 2024 to January 2025
- Bid & Contract phase: February 2025 to May 2025
- Construction phase: June 2025 to June 2027

The Phase II project scope of work is more complex, and the duration of the project is projected to be twice as long compared to the Phase I project. Kitchell forecasts adding 2 full time staff during the construction phase, a senior project manager and a project engineer for Phase II. For comparison, the Phase I project has one full time senior project manager during the construction phase.

Kitchell’s billing is on a time and material basis. If Kitchell does not utilize all the allocated funding, then remaining funding will be returned to project fund or reserved for the Phase III project.

Kitchell’s cost proposal for the Phase II project scales proportionally with Phase I. Both projects are approximately 6% of the respective construction cost. Staff believes the Phase II cost proposal is reasonable, considering an increase in complexity and full-time staff for the duration of Phase II.

Stack Center - Kitchell Contract Analysis			
Phase	Construction Cost	Kitchell's Cost Proposal	%
Phase I	\$8,699,000 (Actual Bid)	\$520,000	6%
Phase II	\$34,200,000 (Estimate)	\$2,002,137	6%

The Stack Center Phase III project will consist of tenant improvements of the second floor of the new building and completion of site improvements. The schedule is to be determined and dependent on securing funding.

This project is categorically exempt from environmental review under Section 15302 of the California Environmental Quality Act (CEQA) Guidelines for the replacement or reconstruction of an existing structure with the same size, purpose, and capacity.

On November 15, 2016, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. The 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.

ECONOMIC IMPACT

This item will provide a positive economic impact by providing an affordable day care facility, renovated MJCC building and new north campus building to host community events.

FISCAL IMPACT

The City has sufficient project funds to cover the cost of this contract amendment. The full estimated cost and funding sources for this project are listed below.

Construction Phase and Funding Sources	Estimated Cost	Funding	Funding Gap
Design, Permits, and Construction Management	5,844,000		-
<i>Alameda County</i>		5,500,000	
<i>Other City Funds</i>		344,000	
Phase I – Childcare Center & South Campus Outdoor Elements	8,403,000		-
<i>State Grants</i>		3,647,000	
<i>Federal Grants</i>		1,500,000	
<i>City ARPA Funds</i>		2,000,000	
<i>Developer Contribution</i>		1,256,000	
Phase II – Core and Shell & First Floor Spaces	34,232,000		173,098
<i>State Grants</i>		11,058,902	
<i>Alameda County</i>		8,500,000	
<i>Measure C*</i>		14,500,000	
Phase III – Second Floor Health Clinic Spaces	5,306,000	-	5,306,000
Phase IV – North Campus Outdoor Elements	5,255,000	-	5,255,000
Total Estimate Cost and Funding Gap	59,040,000	48,305,902	10,734,098

*The City Council committed to using Measure C funding for this project at a work session on April 16, 2024⁴. This funding has yet not been allocated. Staff will return after the November election with a resolution to allocate this money towards this project.

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6635306&GUID=F85527E5-558E-4CF6-81D0-51A559FE5ED5&Options=&Search=>

STRATEGIC ROADMAP

This agenda item supports the Strategic Priorities of Enhance Community Safety and Quality of Live and Improve Infrastructure. Specifically, this item relates to the implementation of the following project:

Project Q21: Work with partners to design programming for the future Stack Center Community Event Plaza.

SUSTAINABILITY FEATURES

The Stack Center will incorporate all City green building ordinances, including the zero-net-energy requirement for new construction. The project requires the contractor to recycle all construction and demolition debris generated from the project.

The project satisfies the following General Plan policies:

- ED-6.8 Public/Private Partnerships
- CS-1.1 Community Partnerships
- CS-1.5 Services for At-Risk Youth
- EDL-1.1 Childcare and Early Childhood Development Centers
- EDL-1.3 Local Agency Coordination
- EDL-1.5 Pre-school and Pre-Kindergarten
- EDL-1.6 Pre-School/Pre-Kindergarten Alternatives
- PFS-1.1 Capital Improvement Program
- PFS-1.2 Priority for Infrastructure
- PFS-1.6 Public Facility Clustering

PUBLIC CONTACT

This item requires no public contact.

NEXT STEPS

Phase I

November 2024	Construction completed
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Phase II

Winter 2025	Complete Design and Permit Phase
Winter 2025	Call for Bids
Spring 2025	Award of Contract
Summer 2025	Start of Construction
Summer 2027	End of Construction

Phase III

Schedule to be determined

Prepared by: Yama Farouqi, Associate Civil Engineer
Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Dustin Claussen, Interim City Manager