



DATE: December 12, 2023

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Approving Addendum Nos. 1,2,3 and 4, Rejecting the Bid from CWS Construction Group, Inc. and Awarding a 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

RECOMMENDATION

That the Council adopts a resolution (Attachment II):

- (1) Approving Addendum Nos. 1,2,3, & 4 consisting of revisions to the plans and specification for The Stack Center – Phase I Project, and;
- (2) Rejecting the bid from CWS Construction Group, Inc., and;
- (3) Awarding a construction contract for the project to Rodan Builders, Inc., in the amount of \$8,699,000, and authorizing an administrative change order budget of \$871,000, for a total not to-exceed contract amount of \$9,570,000.

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. For the past seven years, the City and its partners have worked to raise funds and define the vision for this Center.

On November 30, 2023, the project received four (4) bids. The lowest bidder, CWS Construction Group, Inc., did not meet the qualifications/experience requirements of the bid. Staff recommends that Council reject the lowest bid and award of the contract to the second lowest responsible bidder, Rodan Builders, Inc., of Hayward in the amount of \$8,699,000 and authorizing an administrative change order budget of \$871,000. At \$8,699,000, the bid is \$301,000 or 3.3% under the engineer's estimate of \$9,000,000.

The attached resolution approves the award of contract for Phase I construction, which consists of rehabilitating the existing Matt Jimenez Community Center (MJCC) and external elements surrounding the MJCC.

BACKGROUND

Below is a list of major milestones for the Stack Youth and Family Center Project over the past seven years:

- In July 2014, the County Board of Supervisors allocated \$9.6 million from District 2's share of one-time residual property tax funds for the Stack Center.
- In 2015, the City, Alameda County, and the Hayward Area Recreation and Park District (HARD) formed the Stack Center Governance Group to guide the project and obtain the necessary resources.
- In June 2015, the County Board of Supervisors approved the acceptance of a \$5 million grant from the Kaiser Regional Foundation. This total funding amount of \$14.6 million was reduced by approximately \$600,000 to help fund Mia's Dream Park, which is located on parcels abutting the Stack Center project site.
- In September 2016, the Stack Center Governance Group issued a Request for Qualifications for Facility Operator and Administrator Services.
- On March 27, 2018, Council authorized the City Manager to execute a facility operator agreement with La Familia and Eden Youth and Family Center (EYFC).
- In June 2018, the City issued a Request for Proposals (RFP) for Phases I and II of the project: a community analysis, creation of a building program, and preliminary design. The City received eight proposals. The Stack Center Governance Group evaluated each proposal and ranked RDC as the highest.
- On February 5, 2019, Council authorized the City Manager to execute a professional services agreement with RDC for Phases I and II work and accept \$500,000 from Alameda County to cover the cost of the agreement.
- On June 16, 2020, Council authorized the City Manager to execute a professional services agreement with RDC for architecture and engineering services and accept \$2,870,000 from Alameda County to cover the cost of the agreement.
- On July 31, 2021, the partners held an open house at the future center and launched the fundraising campaign.
- On January 5, 2022, Council accepted a grant of \$1 Million in State of California general funds for Phase I construction.
- On July 5, 2022, Council authorized the City Manager to execute a professional services agreement with Kitchell for construction management services for the Stack Center in an amount not to exceed \$520,000.
- On October 25, 2022, Council adopted resolutions authorizing the City Manager to accept \$1,500,000 in federal grant funds and to execute grant agreements for federal and state funds for the Stack Center.
- On December 6, 2022, Council adopted a resolution authorizing the City Manager to accept \$8,558,902 in state library grant funds for construction of the Stack Center and to execute associated grant agreements.
- On March 7, 2023, Council adopted a resolution authorizing the City Manager to negotiate and execute an amendment to the agreement with AEI Consultants for environmental investigation services to support the Stack Center project by increasing the Not-to-Exceed amount of the agreement from \$59,950 to \$200,000.
- On June 20, 2023, Council adopted a resolution approving the plans and specifications and call for bids for The Stack Center – Phase I Project.

DISCUSSION

City staff considers the low bid, submitted by CWS Construction Group, Inc., to be unresponsive for not meeting qualification & experience requirements in the bid, including:

- A 3-year average Experience Modification Rating (EMR) of 1.07, above the requirement of 1.0. An EMR is a numerical system that insurance companies use to set worker's compensation premiums. An EMR above 1.0 is considered above average risk of worker's compensation claims.
- Missing information in listing their experience: including construction value amount of previous projects, resumes for the project manager and on-site general field superintendent.

On November 30, 2023, four (4) bids were received, ranging from \$8,485,000 to \$9,370,000. The low bid, submitted by CWS Construction Group, Inc., of Novato, California was in the amount of \$8,485,000, which is approximately 5.7% below the engineer's estimate of \$9,000,000. The second lowest bid, submitted by Rodan Builders, Inc., of Hayward, was in the amount of 8,699,000, which is approximately 3.3% below the engineer's estimate.

In Spring 2022, the City and its partners discussed splitting the Stack Center project into two or more phases to use grant funds in the near term rather than prolonging construction while the City secured funding for the full project. On May 3, 2022, City Council approved the approach of phasing the construction and directed staff to prepare documents for Phase I construction.

Boundaries for Phase I are shown on Attachment III. The Phase I scope includes outdoor improvements such as two parking areas, the Community Event Plaza, and two tot yards for the childcare center. The indoor improvements within the MJCC will include the classroom spaces to convert them into a childcare center with child-appropriate restrooms.

Phase I includes demolishing the building that is currently occupied by Alameda County of Education's (ACOE) program for students who have not been successful in traditional school settings. Staff is working with ACOE to identify temporary locations during construction. Once Phase I is complete, Kidango's Affordable Childcare programming will move to the MJCC, which will allow the City to demolish the existing Kidango building as part of Phase II construction.

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. The CWA applies to this project.

ECONOMIC IMPACT

This item will provide a positive economic impact by providing day care facilities, a Youth and Family center, and community events.

FISCAL IMPACT

The estimated cost for Phase I construction is \$8,403,000. There is sufficient overall project budget in the adopted CIP budget to fund this phase of construction.

The project funding sources are as follows:

	Cost	Funding Source	Funding Amount
Community Events Plaza	2,341,000	Clean California grant	2,341,000
MJCC Upgrades	2,724,000	State general grant	1,000,000
		Federal general grant	1,500,000
		La Vista developer	224,000
Site Work/Parking Lots	3,338,000	Clean California grant	306,000
		Hayward ARPA funds	2,000,000
		La Vista developer	1,032,000
Total	\$8,403,000		\$8,403,000

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

Immediately after the construction contract is awarded, a preliminary notice explaining the project will be posted and distributed to all residents in the surrounding neighborhood.

NEXT STEPS

January 2024	Start of Construction
November 2024	End of Construction

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

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager