



DATE: March 21, 2017

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Fire Stations 1-5 Improvements: Reject Bid Protest and Award of Construction Contract to Arntz Builders and Amendment to Professional Services Agreements with Kitchell and RossDrulisCusenbery

RECOMMENDATION

That Council adopts the attached resolutions (Attachment II, III, IV, and V):

1. Approving Addenda Nos. 1 through 3, providing revisions to the plans and specifications for the Fire Stations 1-5 Improvements project;
2. Rejecting a bid protest and awarding the contract to Arntz Builders, Inc., in the amount of \$6,911,577, and authorize the expenditure of up to \$10,830,000 for the total project, including contingencies;
3. Authorizing the City Manager to execute an Amendment to the Professional Services Agreement with Kitchell in an amount not-to-exceed \$490,000;
4. Authorizing the City Manager to execute an Amendment to the Professional Services Agreement with RossDrulisCusenbery in an amount not-to-exceed \$800,000; and

BACKGROUND

On June 3, 2014, voters approved Measure C which authorized the City of Hayward to increase the sales tax rate in the City by one-half cent for twenty years to restore and maintain City services and facilities, including firefighting/emergency medical services, improving police services to neighborhoods, replacing the aging library with a 21st century facility, repairing potholes and streets, updating aging neighborhood fire stations, and other City services. Based on the facility needs assessment report completed on October 10, 2014 by RossDrulisCusenbery (RDC) for Fire Stations 1-6 and the Fire Training Center, substantial upgrades are needed in these aging facilities. Fire Stations 1-5 require renovation, and are treated as separate from Fire Station 6 and the Fire Training Center since the latter facilities will be reconstructed and expanded. On [October 18, 2016](#), staff provided an update on this project to Council.

On [December 13, 2016](#), Council approved the plans and specifications for the Fire Stations 1-5 Improvements Project and called for bids to be received on January 24, 2017. Addenda Nos. 1 through 3 revised the drawings and specifications by adding information to the project documents that provided clarification to bidder questions, and revised the bid opening date to February 7, 2017.

DISCUSSION

Project Plans and Specifications

RDC completed the needs assessment of Fire Stations 1-5 and issued a final report on October 10, 2014. Based on that report, it was determined that substantial upgrades were needed in these facilities to correct problems of varying degrees.

Renovation of Fire Stations 1-5 includes seismic and safety upgrades, energy efficiency, operational, and modernization improvements.

Providing safe fire stations for the occupants and the public is one of the City's top priorities. Seismic retrofit is the priority for these stations to meet life safety structural performance levels. The buildings will be strengthened to prevent collapse and potential loss of life in a seismic event.

- Fire Stations 1 through 5 will need structural upgrades that include reinforcement of exterior and interior walls;
- Fire Stations 1 and 2 will have additional upgrades to obtain a higher seismic performance level such that, after a seismic event, these stations will sustain no significant damage and be safe to occupy, and
- Fire Stations 1, 2, and 4, which are in a liquefaction zone, require modification to the existing foundations to mitigate liquefaction-induced settlement.

Other safety improvements at the stations will include: abatement of material containing asbestos and lead; relocation of turnout gear to new turnout locker rooms; and new vestibule areas to separate exhaust fumes in the apparatus bay from sleeping quarters.

Renovation for these stations are also needed to improve energy efficiency. For Fire Stations 2-5, upgrades will include changing the internal and exterior light fixtures to LED, adding attic and wall insulation, installing new doors, double pane windows, and skylights, and replacing HVAC systems. They will have photovoltaic panels added on the roof for additional energy efficiency. These "green" improvements will offset approximately 70% or more of the existing energy consumption. Photovoltaic panels are not currently included as part of the renovation for Fire Station 1 because the building is already energy efficient with newer windows and insulated walls. Additionally, because space is limited by mechanical equipment on the roof, photovoltaic panels will need to be installed over new carport structures. This is estimated to cost an additional \$350,000, which staff will ask Council to consider at a future date if and when funds become available.

Fire Stations 1-5 include improvements for quicker response time. All stations will have improvements to the station alerting systems. The existing overhead sectional exit apparatus doors will be replaced with faster operating, low-maintenance four-fold doors. Lastly, for Fire Stations 1-4, GPS-based traffic signal pre-emption systems will be added to the stations and at the traffic signals on street intersections near these fire stations. Fire Station 5 does not require this system because there are no nearby signalized intersections.

Other renovation improvements will include:

- Necessary accessibility requirements in renovated areas, including upgrades to showers and washrooms;
- Casework replacement in the office area;
- New appliances and counter tops in the kitchens;
- Wall and floor replacement; and
- Utility upgrades, including replacing old sewer, water, gas lines and electrical panels.

Because of the extensive hazardous material abatement and renovation, the work will be disruptive to the crews working within the stations. Therefore, temporary housing arrangements must be made for the various fire stations except Fire Station 1 where there is no hazardous material abatement; personnel will occupy that station during construction. Construction at Fire Stations 1, 2, and 3 will start at about the same time. During construction, Fire Station 2 personnel and apparatus will be temporarily housed at the larger Fire Station 6. Fire Station 3 personnel and apparatus will be temporarily housed at the new Fire Station 7. When the renovation work for Fire Station 1 is completed, crews from Fire Station 5 will be temporarily housed in Fire Station 1. Similarly, when the renovation work for Fire Station 2 is completed, crews from Fire Station 4 will be temporarily housed in Fire Station 2.

On February 7, 2017, four bids were received for the project. Arntz Builders Inc. of Novato, California, submitted the low bid of \$6,911,577 which was 10% below the engineer's estimate of \$7,680,000. D.L. Falk, Inc. of Hayward, California submitted the second low bid in the amount of \$7,849,001 which was 2.2% above the engineer's estimate. The four bids ranged from \$6,911,577 to \$9,656,800 (Attachment VI).

Bid Protest by D.L. Falk, Inc.

On February 14, 2017, the City received a bid protest from D. L. Falk Inc., the second low bidder, alleging that Arntz Builders' bid was non-responsive because Arntz Builders, Inc. did not list subcontractors required to perform work more than one-half of one percent of its bid. D. L. Falk also claimed that Arntz is not qualified to perform the work itself. Staff, in conjunction with the City Attorney's Office, reviewed the bid protest and subsequent response from Arntz Builders, Inc. and recommends rejection of the bid protest based on the following:

- 1) The bid proposal required bidders to provide the List of All Subcontractors and Suppliers which Arntz provided. In their response to the bid protest, Arntz stated that they inadvertently did not list their painting subcontractor in the amount of \$208,000. It is the City Attorney's view that this does not change the bid total and therefore is not materially non-conforming.
- 2) Regarding work for which Arntz did not list subcontractors, Arntz stated that they are licensed for and intend to complete the work themselves. A copy of D. L. Falk's protest letter, Arntz's response to the protest, and the City's response are attached (Attachment VII).

Staff finds Arntz Builders' bid documents to be responsive and has confirmed that they have licenses appropriate for this work. Therefore, staff recommends that Council reject the bid protest and award the contract to Arntz Builders Inc. in the amount of \$6,911,577. Further, staff recommends that Council authorize the Director of Public Works to expend up to \$10,830,000 for construction, construction contingencies (Administrative Change Order, ACO), construction administration, inspection, testing, fixtures, furniture and equipment, and project design. The ACO amount is \$698,423 (or approximately 10% of the construction contract). Please see the breakdown of the project budget below under the Fiscal Impact section.

This project is categorically exempt from environmental review under section 15301 (c) of the California Environmental Quality Act guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

Additional Services and Amendment to Professional Services Agreements

On May 26, 2015, Council authorized the City Manager to negotiate and execute an agreement with RDC for design services for the Fire Stations 1-6 and Fire Training Center Improvement project in an amount not-to-exceed \$1,500,000. Staff also negotiated a scope of work for project management services during the design phase with Kitchell in an amount not-to-exceed \$200,000. On November 15, 2016, Council authorized the City Manager to amend the agreement with Kitchell in the amount not-to-exceed \$600,000 for overall design phase management, detailed cost estimates, and bid and award phase services for Fire Stations 1-5, the new Fire Station 6, and the Fire Training Center.

The design contracts for both RDC and Kitchell did not include construction support services for the Fire Stations 1-5 Improvements Project. An estimated \$490,000 each to RDC and Kitchell is needed for these services during the construction phase, and staff recommends that Council approve increasing RDC and Kitchell's contract by this amount for the needed services.

During the October 18, 2016 Fire Stations 1-6 and Fire Training Center Improvements Project Update presentation, Council directed staff to proceed with the full build out design of Fire Station 6 and the Fire Training Center. This design was not in the original scope of RDC's services. Staff has negotiated with RDC to provide a schematic design phase services in the amount of \$310,000. Staff also recommends that Council approve increasing RDC's contract

by this additional amount for the needed services. Staff will return to Council for approval of the remainder of the design services to complete the 100% construction documents for the new Fire Station 6 and the Fire Training Center at a later date.

FISCAL IMPACT

The estimated project costs are as follows:

DESCRIPTION	CURRENT ESTIMATED COST
A. Construction Contract	\$6,911,577
B. Construction Contingency (ACO)	\$698,423
C. Design	\$820,000
D. Fixtures, Furniture & Equipment	\$1,000,000
E. Consultant Construction Administration (RDC and Kitchell)	\$980,000
F. Permit Fees, Inspection, Testing & Staff Construction Administration	\$420,000
TOTAL	\$10,830,000

The Adopted FY2017 CIP includes a total of \$11,020,000 for the design and construction of the Fire Stations 1-5 projects in the Measure C Fund. Additionally, there are adequate funds in the Adopted FY 17 CIP for RDC to provide a schematic design phase services for Fire Station 6 and the Fire Training Center in the amount of \$310,000 as recommended by staff in the discussion section above.

Item E in the table above includes \$490,000 each for construction administration by RDC and Kitchell as noted in the discussion section of the report.

Staff will return to the Council Budget & Finance Committee and the full Council this spring to review the current Measure C revenue and expenditure projections and for a discussion of the funding for Fire Station 6 and the new Training Center.

SUSTAINABILITY FEATURES

1. Water: Installation of water efficient plumbing fixtures

The project includes the installation of water efficient plumbing fixtures to reduce waste in water consumption.

2. Environment: Bay-Friendly Landscaping & Storm Water Treatment.

This project will implement Bay-Friendly Landscaping techniques that use native and climate appropriate plants at the Fire Stations.

3. Energy: Replace windows, installation of LED lighting, skylights, and PV panels.

This project will install energy efficient windows, LED lighting, skylights, and PV panels providing electricity and maintenance cost savings.

PUBLIC CONTACT

There has been no public contact for this project. After the construction contract is awarded, staff will distribute preliminary notices explaining the project to residents and businesses near the affected Fire Stations due to the temporary inconvenience expected from the improvement work. After construction work has been scheduled, follow-up notices will be distributed indicating the construction dates for each Fire Station.

NEXT STEPS

If Council adopts the attached resolutions and awards the contract, the Fire Stations 1-5 Renovation Project Schedule is as follows:

Begin Construction	April 2017
Complete Construction	May 2018

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Kelly McAadoo, City Manager