



**DATE:** July 7, 2020

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Approving Addenda Nos. 1 through 6, Authorizing the Substitution of Subcontractors, Waiving Errors Related to Subcontractor's DIR/Contractor's Numbers and Awarding a Contract to S. J. Amoroso Construction for the Fire Station 6 and Fire Training Center Project, Project Nos. 07481 and 07482 in the Amount of \$52,397,000

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) approving Addenda Nos. 1 through 6, providing revisions to the plans and specifications and responses to clarification for the Fire Station 6 and Fire Training Center Project, authorizing the substitution of subcontractors, waiving errors related to subcontractor Department of Industrial Relations (DIR) registration number and contractor's license number, awarding the contract to S. J. Amoroso Construction (Amoroso) in the amount of \$52,397,000, and authorizing the City Manager to spend up to \$70,901,700 for the total project cost.

### **SUMMARY**

In 2014, the voters of the City of Hayward (City) approved Measure C, which authorized the City to increase the sales tax rate by one-half cent for, among other things, the restoration and maintenance of City services and facilities, including firefighting/emergency medical services. City staff and the design team have been working on completion of the design and various approvals of this project for several years. This project includes partnership with the Chabot-Las Positas Community College District (District) for the shared use of the Fire Training Center. With the completion of the construction documents and approvals by Division of the State Architect (DSA) and Federal Aviation Administration (FAA), the project was advertised on April 3, 2020.

On June 11, 2020, the project received two bids. Both bids were under the engineer's estimate of \$57,000,000. The apparent low bid, submitted by Amoroso, is \$52,397,000 or 8.1% below the engineer's estimate. The second low bid, submitted by Lathrop Construction Associates, Inc., (Lathrop) is \$53,455,600, which is 6.2% below the Engineer's Estimate.

After receiving the bids, Amoroso informed staff of errors in their subcontractors' listing. Staff recommends that Council authorize the substitution of subcontractors, waiving an error related to listing of a subcontractor's number, and awarding the contract to the responsible low bidder, Amoroso, in the amount of \$52,397,000 and authorizing the City Manager to spend up to \$70,901,700, for total project costs, including contingencies.

### **BACKGROUND**

Below is a list of major milestones for the Fire Station 6 and Fire Training Center project:

- June 3, 2014: Voters approved Measure C, which authorized the City to increase the sales tax rate by one-half cent for twenty years to restore and maintain City services and facilities, including firefighting/emergency medical services.
- October 10, 2014: The City's consultant, RossDrulisCusenbery (RDC), completed a facility needs assessment for Fire Stations 1-6 and the Fire Training Center, which determined that all facilities needed substantial upgrades.
- May 26, 2015: Council authorized the City Manager to negotiate and execute an agreement with RDC for design services for Fire Stations 1-6 and the Fire Training Center Improvement project.
- October 18, 2016: Staff provided Council an update on this project.
- October 24, 2017: The District's Board of Trustees passed a motion directing the Chancellor to create a Memorandum of Understanding (MOU) with the City.
- June 28, 2018: Staff submitted the request to the FAA for the release of the land at Hayward Executive Airport (HEA) on which Fire Station 6 and the Fire Training Center would be constructed for non-aeronautical purposes.
- July 24, 2018: Council authorized the City Manager to negotiate and execute an MOU with the District to establish the basis for a ground lease and to accept up to \$20 million dollars from the District for the design, construction, and furnishing of the District's Facilities at the Fire Training Center.
- September 24, 2018: The design team submitted the project plans to DSA for their review of District owned buildings.
- October 25, 2018: The Planning Commission adopted a Mitigated Negative Declaration with Mitigation Monitoring and Reporting Program for the project as it relates to California Environmental Quality Act (CEQA).
- March 5, 2019: Council approved the plans for the abatement and deconstruction of the existing Fire Station 6 and Training Center and call for bids.
- March 6, 2019: Staff provided a design update to the Council Infrastructure Committee (CIC).
- September 2019: Completed demolition of the old Fire Station 6 and the Fire Training Center.

- October 1, 2019: Authorize the City Manager to Negotiate and Execute a Ground Lease and Facilities Use Agreement with the Chabot-Las Positas Community College District for the Fire Training Center.
- November 19, 2019: Council approved the Plans and Specifications and Call for Bids after approval from DSA and FAA.
- January 15, 2020: DSA approval of plans.
- January 15, 2020: FAA determined this project is Categorical Excluded pursuant to FAA Order 1050.1F as it relates to the National Environmental Policy Act.
- March 4, 2020: FAA approval of Form 7460 - Notice of Proposed Construction or Alteration.
- March 25, 2020: FAA public comments closed for release of land for non-aeronautical purposes.
- April 3, 2020: Call for Bids.

## **DISCUSSION**

The call for bids was contingent of receipt of final approvals from DSA and FAA.

### Division of the State Architect (DSA)

The partnership with the District requires review of District owned buildings by DSA since DSA has jurisdiction over structural, fire/life safety, and access compliance requirements for school buildings that are publicly funded. Staff submitted the plans to DSA for their initial review on September 25, 2018. Since that time, there have been a number of review comments from DSA and those comments were addressed by the design team. On January 15, 2020, DSA approved the plans.

### Federal Aviation Administration (FAA)

Since the Fire Station 6 and Fire Training Center are located on HEA property, the project required FAA approval. Parts of the parcels of land where the Fire Station and Fire Training Center sit are for aeronautical purposes and require release of the land for non-aeronautical purposes. On June 28, 2018, staff submitted the request for the release of two parcels of land for non-aeronautical purposes. Additionally, the National Environmental Policy Act (NEPA) requirements applied to this project. Staff worked on obtaining a Categorical Exclusion since the action to change the Airport Layout Plan to build or expand airport fire and rescue buildings falls under categorically excluded actions. The Categorical Exclusion needed to receive determination from the FAA prior to FAA's review for the release of the land. On January 15, 2020, the project was determined by FAA to be Categorical Excluded. On February 11, 2020, the FAA approved the Notice of Request to Release Airport Land to be published in the Federal Register for a 30-day public comment period. FAA also required the submittal of FAA's Form 7460 - Notice of Proposed Construction or Alteration, which received FAA's approval on March 4, 2020. On

March 25, 2020, the 30-day public comment period closed for the Release without receiving any public comments.

With the approvals by DSA and FAA, the final construction documents were completed. On April 3, 2020, the project proceeded with call for bids.

#### Prequalification of General Contractors

Due to the complexity of the project and to have the most qualified contractors bid on the construction contract, advertising was solicited only to pre-qualified general contractors. The pre-qualification process looked at essential requirements like validity of contractor license, insurance limits, bonding capacity, on a qualify/not qualify basis and minimum scoring requirements on history/performance of the contractor, its compliance with safety and health laws, and experience with delivering similar type projects. The request for prequalification was issued to general contractors on September 23, 2019. On October 31, 2019, four general contractors, Balfour Beatty Construction, BCCI Construction Company, Lathrop, and Amoroso, submitted their prequalification package. BCCI did not qualify since they did not meet the criteria for having the experience with delivering similar type projects. The call for bids was sent to the three qualified general contractors - Balfour Beatty Construction, Lathrop, and Amoroso.

#### Addenda

On April 30, 2020, staff issued Addendum No. 1 which responded to bidder questions and included station alerting scope.

On May 13, 2020, staff issued Addendum No. 2 which extended the bid due date to May 28, 2020.

On May 15, 2020, staff issued Addendum No. 3 which responded to bidder questions and included COVID-19 requirements and bid breakdown upon request.

On May 22, 2020, staff issued Addendum No. 4 which further extended the bid due date to June 11, 2020, responded to bidder questions and included Airport safety and security requirements.

On May 28, 2020, staff issued Addendum No. 5 which responded to bidder questions.

On June 5, 2020, staff issued Addendum No. 6 which responded to bidder questions and included relocation of an FAA electrical line.

On June 11, 2020, two (2) bids were received (Attachment III). Amoroso, of Redwood City, submitted the lowest bid in the amount of \$52,397,000 which is 8.1% lower than the Engineer's Estimate of \$57,000,000. Lathrop submitted the second low bid in the amount of \$53,455,600, which is 6.2% below the Engineer's Estimate.

Within 24 hours of opening the bids, Amoroso informed Public Works staff of errors in its bid which it sought to correct. Amoroso erroneously specified the scope of work of two

subcontractors listed in the bid, IBS USA and DaSilva Concrete Construction. Amoroso advised that IBS USA was intended to be the steel subcontractor but was erroneously listed as performing work related to underground utilities. DaSilva was intended to be the earthwork and underground utilities subcontractor but was erroneously listed as performing only earthwork. Public Works staff advised Amoroso of the appropriate procedures for seeking relief for subcontractor listing errors pursuant to Public Contract Code sections 4107 and 4107.5. These sections allow substitutions in the event of clerical errors. Amoroso, IBS USA, and DaSilva Concrete have submitted sworn declarations in support of the request, as required by Public Contract Code section 4107.5. Staff recommends that City Council authorize the substitution of DaSilva Concrete Construction as the underground utilities subcontractor and the substitution of IBS USA as the steel subcontractor pursuant to Public Contract Code sections 4107 and 4107.5.

Additionally, Amoroso’s subcontractor’s listing of Fireblast Global included errors in listing their DIR registration number and contractor’s license number. Staff recommends the City Council waive these errors as inconsequential deviations from the specifications pursuant to Hayward Municipal Code 2-8.06.

Staff recommends awarding the contract to the responsible low bidder, Amoroso, in the amount of \$52,397,000.

Since the engineer’s estimate is over \$1,000,000, the Community Workforce Agreement is a requirement of the contract.

**ECONOMIC IMPACT**

Completion this project will add classrooms and spaces for training and use by others which may result in positive economic benefits for businesses around the area. Additionally, the local economy and local workforce will be positively impacted during construction of the facilities.

**FISCAL IMPACT**

The estimated project cost are as follows:

Construction Contract	\$52,397,000
Construction Contingency (ACO)	\$5,239,700
Consultant Design	\$5,000,000
Construction Management Administration	\$4,000,000
Inspector of Record Service & Special Testing	\$1,500,000
Demolition of old Fire Station and FTC	\$425,000
Temporary Housing	\$500,000
Permit & Utility Fees	\$940,000
Fixture, Furniture & Equipment	\$600,000
Staff Construction Administration	<u>\$300,000</u>
<b>Total</b>	<b>\$70,901,700</b>

Temporary housing, permit & utilities, fixture, furniture & equipment are estimated and may increase at which time, staff will seek approval from Council for additional funding.

There are multiple funding sources for this project. The City's district sales tax, known as Measure C sales tax, will provide the majority of the funding. The total current budget is \$60.4 million, which includes \$28.7 million outlined in the FY 2019 adopted Capital Improvement Program in Measure C, Fund 406, and \$26 million for FY 2020. Prior year project appropriations total \$5.7 million.

Included in the budgeted amounts and through a partnership with the Chabot-Las Positas Community College District is a \$20 million contribution towards the cost of the project to offset the total current budget.

This leaves an approximately \$10.5 million difference between what has been previously budgeted and the estimated cost (including construction contingency). Staff believes that because of the length of the project and reduced expenditures in future years related to completing or completed projects, future revenues in the Measure C fund will be sufficient to meet the additional previously unappropriated amount. Should there be a need to secure short-term financing for all or part of the \$10.5 million, staff will return to Council for approval.

## **STRATEGIC ROADMAP**

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

Project 12: Construct the Fire Station and Fire Training Center

## **SUSTAINABILITY FEATURES**

This project incorporates sustainability features as they relate to water, energy, and the environment. Additionally, the proposed buildings will be designed to meet Leadership in Energy and Environmental Design (LEED) Silver, or better, and zero net energy.

## **PUBLIC CONTACT**

As part of the CEQA requirements, the Initial Study and Mitigated Negative Declaration were posted for public review and a public hearing was brought before the Planning Commission on October 25, 2018. Additionally, as part of the FAA land release process, the request for the release was published in the Federal Register for a 30-day public comment period.

## **NEXT STEPS**

Begin Construction  
Complete Construction

July/August 2020  
Fall 2022

*Prepared by:* Dave Hung, Senior Civil Engineer  
Kathy Garcia, Deputy Director of Public Works

*Recommended by:* Alex Ameri, Director of Public Works  
Garrett Contreras, Fire Chief  
Dustin Claussen, Finance Director

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager