



STAFF REPORT
7/13/2022

TO: Honorable Mayor and City Council Members

FROM: Andrew Simmons, P.E., City Engineer

SUBJECT: Construction Contract with Dalke & Sons Construction Inc. in the amount of \$6,253,955 and 10% for contingency for the construction of the Fire Station #79 Rehabilitation And Expansion Project (F-7).

STAFF RECOMMENDATION:

- Authorize the City Manager to execute a construction contract with Dalke & Sons Construction, Inc. in the amount \$6,253,955 and 10% for contingency for the construction of the Pueblo Viejo Sustainable Transportation Project, City Project ST-130.
- Authorize City Manager to execute a contract for construction materials and quality assurance testing with Atlas Engineering (On-Call Consultant) in the amount of \$50,000.
- Authorize City Manager to execute a contract Amendment with Canon Design to perform construction phase engineering services, in the amount of \$200,000.

BACKGROUND:

In 2017, City staff considered three alternatives to increase the capacity of our critical emergency response services. These options included rehabilitating the existing Fire Station, building a new fire station and doing nothing. Doing nothing was deemed unacceptable in order to improve community safety. The rehabilitation was selected as the most cost effective alternative. In addition, the Central location of the existing Fire Station provides the most efficient response times to all portions of the City, which was considered highly important in the decision making process. A new Fire station at another location would potentially increase response times to some areas of the City.

In 2018 the City received a “Gaming Grant” in the amount of \$604,527, which was utilized as the primary funding for the full design of the remodel and expansion project. To date, the City has spent over \$770,000 on planning and designing the fire station expansion project

Final Design was completed and approved by Building and Safety in May of 2021.

Between June 2021 and November 2021, the Fire Station Project was identified as a critical safety project that provides an upgraded emergency and pandemic response facility and qualifies for American Rescue Plan Act funding.

On December 8th, 2021, City Council authorized staff to advertise the Fire Station #79 Rehabilitation and Expansion Project to seek competitive construction bids and appropriated \$6,800,000 in funding for the project's completion including \$5,000,000 in ARPS funding and \$1.8 million in Fire DIF funding.

DISCUSSION/ANALYSIS:

The City requested public bids in accordance with City Standards and in compliance with the California Public Contract Code. On April 19th, 2022, the City issued the Notice Inviting Bids with a mandatory job walk held on May 4th, 2022. The project bid opening was held on June 7th, 2022, at 2:00 p.m., with four companies submitting bids for this project. The bid opening results are listed below:

Company Name:	Bid Amount:
Dalke & Sons Construction, Inc.	\$6,253,955
AMG Associates	\$6,673,050
Silverstrand Construction	\$7,525,278
ProWest Constructors	\$7,773,992

This total project cost includes all base bid items as well as four add alternative bid items. Staff has reviewed the bids and has determined that Dalke & Sons Construction, Inc. is the lowest, responsive, responsible bidder. However, due to inflationary increases in construction cost, the total project budget exceeds the appropriated amount of \$6,800,000:

Project Item:	Project Cost:	Project Revenue:
Construction – Base Bid Items	\$5,389,205	
Construction - Add Alternates	\$864,750	
Construction SubTotal:	\$6,253,955	
Construction Contingency (10%)	\$625,396	
Temporary Housing - Willscot	\$162,049.10	
ATLAS Engineering materials testing	\$50,000	
Construction Engineering – Cannon Design	\$200,000	
TOTAL CONSTRUCTION PROJECT COST:	\$7,291,400.1	
<i>Previous appropriation</i>	\$6,800,000	
CONSTRUCTION COST DIFFERENCE:	\$491,400.1	

Base construction items related to the rehabilitation and expansion are listed at a total bid price of \$5,389,205, while the four add alternate items are listed at a total bid price of \$864,750. The four add alternatives include:

1. providing an exterior loggia (Pergola) along the front of the structure that is architecturally similar in design and scope as the Loggia structure at the 6th street Library
2. Replacing all plaster on the existing walls of the structure to match the new plaster finish of the addition areas.
3. Performing abatement of asbestos within the apparatus bay.

4. Replacing the Roof tile on the existing portions of the building.

It is recommended that all four add alternatives be accepted and completed to comply with the architectural requirements within the Downtown Pueblo Viejo District, and to fix existing leakage and ceiling issues within the apparatus bay. By completing all Add alternatives now, it helps to maximize public safety by performing all required upgrades once and prevent further disturbance to the fire crew on future repair projects. The additional \$491,400.1 is to be appropriated from ARPA funds in the City's Grant Fund (152) to cover the anticipated costs of the complete project delivery.

Per section E or article 27 of the Project Specifications for the project, ProWest Construction submitted a bid protest on June 8, 2022. City staff preformed an independent factual inquiry of the bid protest with a review of applicable law. Upon conclusion of this examination, the protest was found to offer no persuasive (or lawful) reason why public policy would favor denying the contract to Dalke & Sons resulting in a higher cost than the lowest responsive bidder. ProWest concurred with the factual inquiry and provided written notification to cancel their bid protest.

FISCAL IMPACT:

The Fire Station #79 Rehabilitation and Expansion Project (F-7) is proposed to be funded with the following appropriations with the following allocations:

- ARPA (Fund 152)- \$5,491,400.10
- Fire Dif (Fund 130)- \$1,800,000

These appropriations will replace previous budgeted appropriations. With this action, Council will be approving all necessary transfers between the appropriated funds above and the City's CIP Fund (182).

ATTACHMENTS:

1. Construction Contract – Dalke & Sons Construction, Inc.
2. Bid Summary – F-7