



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b> December 20, 2021		<b>Subject: Resolution No. 2937</b> City Hall Renovation Project	
		<b>Staff Member:</b> Martin Montalvo, Operation Manager	
		<b>Department:</b> Public Works	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable <b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends Council adopt the Consent Agenda.			
<b>Recommended Language for Motion:</b> I move to approve the Consent Agenda.			
<b>Project / Issue Relates To:</b>			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable	

### ISSUE BEFORE COUNCIL:

To approve or reject the construction contract with 2KG Contractors, Inc. for the City Hall Renovations Project

## EXECUTIVE SUMMARY:

On Monday June 28, 2021, the City of Wilsonville’s City Hall Facility suffered a water leak associated with a water feed line in the second floor break room. Review of the water records indicated that the water leak began some time during the previous Friday evening and continued over the weekend. The City discovered the leak early Monday morning and moved to quickly remediate the damage in order to assure the health and safety of the facility and staff. The City hired a remediation contractor that mobilized within hours to conduct the remediation work over the course of the following two weeks. The City immediately advised its Insurer, City County Insurance Services (CIS).

In consultation with CIS, an independent estimator and the City Facilities Department, the damage was deemed to be in excess of \$100,000 in damages, requiring the City to follow formal procurement requirements. Upon determination of the extent of the repair cost, it was deemed appropriate, prudent and cost effective to incorporate improvements to the facility during the course of construction. The City’s insurer indicated that they would cover cost to restore to a pre-loss condition based on the lowest responsive bid and that any improvements would be the City’s responsibility.

The City issued a task order to SERA Architecture from its existing On-Call Services contract to oversee the design to restore to a pre-loss condition and incorporate desired improvements. The desired improvements would focus on improving the functionality, health and safety aspects of the customer service areas and increasing efficiencies where possible. The design team conducted multiple meetings with all affected departments to seek input and determine what improvements and efficiencies could be incorporated into the design. The design team then generated design documents to restore the facility to a pre-loss condition (Base Bid) and a separate design to incorporate the desired improvements (Alternative Bid). This Base and Alternative Bids complied with the requirements set out by the City’s insurer.

The City advertised the Request for Bids on October 6, 2021 and received three responsive bids on November 10, 2021. The lowest Base Bid received from all the bidders for restoring to the pre-loss condition was for \$138,249. This value, minus the \$5000 deductible is the final value that the CIS will reimburse the City for damages.

After review of the initial bids, the lowest overall Bidder was deemed to be unresponsive due to a significant monetary omission in their bid submittal. The second lowest bid, from 2KG Contractors, Inc, was deemed to be responsive. The low responsive overall bid (Base Bid + Alternative Bid) was received from 2KG Contractors, Inc for a total bid \$431,666. Table 1, below details all bids received for the Base Bid and Alternative Bid.

**Table 1: City Hall Renovations**

Company	Base Bid	Alternate Bid	Total Bid
Art Cortez Construction, Inc. (Deemed Unresponsive)	\$ 171,656.68	\$ 188,537.08	\$ 360,193.68
2KG Contractors, Inc. (Responsive Low Bidder)	\$ 150,943.00	\$ 280,723.00	\$ 431,666.00
Buildskape, LLC	\$ 138,249.00	\$ 395,469.00	\$ 533,718.00

**EXPECTED RESULTS:**

By executing this personal services agreement with 2KG Contractors, Inc. the City will be able repair the water leak damage and incorporate desired functionality, health and safety improvements and efficiencies to the City Hall Customer Service areas.

**TIMELINE:**

The substantial completion deadline for this project is April 2, 2022 with final completion being April 22, 2022.

**CURRENT YEAR BUDGET IMPACTS:**

City Council previously approved a budget amendment on October 18, 2021 for \$279,000 to cover design and the initial estimated cost for repairs and improvements. An additional supplement budget amendment of \$243,966 will be required in order to construct the overall bid package. The total project cost with design and construction will be \$522,966.00. The City’s insurer will reimburse the City for \$133,249 upon completion. The total out of pocket cost for the City at the completion of the repairs will be \$389,717. The respective budgets and contract cost are below.

**Table 2: Resources and Requirements**

CIP	Type	Description	Original Bud Supplement 10/18/21	Additional Budget Supplement 12/20/21	Total
0997-80	Expense	Design	\$ 91,300	-	\$91,300
0997-80	Expense	Construction	\$ 187,700	\$ 243,966	\$ 431,666
<b>Total Expense</b>			<b>\$ 279,000</b>	<b>\$ 243,966</b>	<b>\$ 522,966</b>
0997-110	Funding	City Portion	\$ 185,598	\$ 204,119	\$ 389,717
0997-80	Funding	CIS Insurance Reimbursement	\$ 93,402	\$ 39,847	\$ 133,249
<b>Total Funding</b>			<b>\$ 279,000</b>	<b>\$ 243,966</b>	<b>\$ 522,966</b>

**FINANCIAL REVIEW:**

Reviewed by: KAK Date: 12/03/2021

**LEGAL REVIEW:**

Reviewed by: JRA Date: 12/08/2021

**COMMUNITY INVOLVEMENT PROCESS:**

Not Applicable.

**POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:**

By completing this project, the City can repair damage due to a water leak and improve the functionality, health and safety aspects of the customer service areas of the City Hall facility. These modifications incorporate improvements for accessibility of City Hall for community members.

**ALTERNATIVES:**

Reject the construction contract as proposed and issue a contract for the Base Bid scope of work for \$138,249.00 to Buildscape, LLC. The repairs to City Hall would be delayed an additional 30 days as staff would have to prepare alternative contract documents and return for the subsequent Council meeting.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Resolution No. 2937
  - A. City Hall Renovations – 2KG Contractors Construction Contract