



# STAFF REPORT

AGENDA NO: 10a

MEETING DATE: April 20, 2020

**To: Honorable Mayor and City Council**

**Date: April 20, 2020**

**From: Margaret Glomstad, Parks and Recreation Director – (650) 558-7307**

**Subject: Adoption of a Resolution Authorizing the City Manager to Execute an Agreement with BHM Construction, Inc. for the Construction of the New Community Center, City Project #83240, at a Cost of \$39,967,000**

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## **RECOMMENDATION**

Staff recommends that the City Council adopt the resolution authorizing the City Manager to execute an Agreement with BHM Construction, Inc. for the construction of the new Community Center, City Project #83240, at a cost of \$39,967,000.

## **BACKGROUND**

Since 2012, City staff, in collaboration with Group 4 Architecture, the Citizens' Advisory Committee (CAC), and community members, has been working on developing plans for a new Community Center in Washington Park. The work included the development of a Master Plan for the active areas of the park and identified the site locations of the park amenities (Community Center Master Plan) and conceptual designs of the proposed building within the Master Plan. The City Council approved the Community Center Master Plan on July 7, 2014.

Since that time, the City Council has held study sessions, and the City has gathered input through an Advisory Committee, at Planning Commission and Parks and Recreation Commission meetings, as well as at community meetings and public events. Information about the process and public outreach plan can be found at

[https://www.burlingame.org/parksandrec/facilities/projects/community\\_center\\_conceptual\\_plan.php](https://www.burlingame.org/parksandrec/facilities/projects/community_center_conceptual_plan.php)

At the July 2, 2018 Council meeting, the City Council chose to move forward with the pavilions style building, a 35,700 square foot Community Center with parking under and adjacent to the new center. The project also includes a new relocated playground, picnic area, and basketball court, and an indoor and outdoor stage. The tennis courts, Lions Club building, ballfields, and Parking Lot X will remain unchanged. The July meeting was followed by a City Council study session on September 17, 2018 where staff and Group 4 presented a Schematic Design progress update and received input and direction on the project scope and budget, including add alternates, selection of the underground parking option, approval of the early site package, and approval of the exterior material palette.

At the September 20, 2018 Parks & Recreation Commission meeting and the September 24, 2018 Planning Commission meeting, City staff and Group 4 presented a schematic design progress update, including relaying to the Commissioners the input that the Council provided at its study session. On November 5, 2018, the City Council unanimously approved the schematic design and phasing for the new Community Center.

Since the November 5, 2018 City Council meeting, staff and Group 4 have worked collaboratively to refine the floor plans, building systems, and design, including holding a series of technical meetings and Integrated Design Workshops to allow for direct dialogue between City staff from multiple departments and the design team.

#### *Environmental Review*

An Initial Study/Mitigated Negative Declaration (IS/MND) was prepared to evaluate the potential environmental impacts of the proposed project, including the evaluation of the removal of protected sized trees in Washington Park. The draft IS/MND determined that there would be no environmental impacts identified that could not be mitigated to less than significant levels. As mandated by State law, the minimum public review comment period for this document was 20 days. The community was notified of the draft document through a mailing to the CEQA Document Notification List and properties within 300 feet of the Recreation Center, posting in the newspaper and on the City website, posting 24"x36" signage in three locations in Washington Park, and placing hard copies at the Recreation Center, City Hall, and the Library. During this public review period for the IS/MND (September 13, 2018 to October 3, 2018), the City received no public comments. The City Council adopted the IS/MND and the Mitigated Monitoring Report Program (MMRP) at the December 3, 2018 City Council meeting.

#### *Contractor Pre-Qualification Process*

In order to ensure an efficient, cost effective, and competitive bidding process for the construction of the new Community Center, staff determined that a pre-qualification process was prudent. The purpose of this pre-qualification process is to ensure that only contractors with the proper experience and qualifications are identified and pre-qualified in advance of the public bidding. The process also allows the City to more fully determine the qualifications and responsiveness of potential bidders in advance, thereby reducing the likelihood of a bidder challenging the low bid. Moreover, pre-qualification potentially reduces project costs and project-related construction delays and promotes the proper and safe completion of the project in conformance with the contract requirements. It helps the City obtain the highest quality bid for the lowest price.

The notice to prospective bidders advertising the pre-qualification process was issued on September 9, 2019, and closed on October 16, 2019.

The City received submittals from seven construction firms. City staff and the City's construction management firm reviewed the submittals for completeness and rated them based on a uniform system of rating. Based on the pre-qualification criteria, the following construction firms were determined to be qualified to submit construction bids for the Community Center Project:

1. Alten Construction
2. BHM Construction, Inc.

3. Amoroso Construction
4. Lathrop Construction Associates, Inc.

At the November 18, 2019 City Council Meeting, the Council adopted a resolution approving the list of pre-qualified bidders for the construction of the Community Center Project.

**DISCUSSION**

The project was advertised for construction bids on January 16, 2020, with a submittal deadline of February 27, 2020. The submittal deadline was extended to March 24, 2020 due to the need for additional structural design to the foundation based on the geotechnical reports that raised concern about sea level rise and the ability of the underground parking garage to withstand a higher water table. The engineer’s fee to revise the construction specification was \$59,230. The engineer’s estimate for the additional work related to the foundation of the parking garage during construction is \$905,000. These costs have been incorporated into the project bid amount below.

Bidders were instructed to bid a lump sum proposal for all labor and materials required to complete the project. In addition, four add-alternates costs were included as individual items:

1. Exterior Seatwall Toekick Lighting
2. Kids Town Green Roof
3. Interior Linear Metal Ceilings
4. Enrichment Classroom Operable Partition

The City received three bids as shown in the below table:

	Company Name	Base Bid	Add. Alt. 1	Add. Alt. 2	Add. Alt 3	Add. Alt 4
1.	BHM Construction, Inc	\$39,967,000	\$19,000	\$112,000	0	\$40,000
2.	Alten Construction	\$41,586,000	\$45,000	\$122,000	-\$91,000	\$15,000
3.	Amoroso Construction	\$42,777,000	\$30,000	\$160,000	-\$50,000	\$40,000

BHM Construction, Inc. is the lowest responsive bidder with its base bid amount of \$39,967,000, which is 2.5% below the engineer’s estimate of \$41,030,829.

**FISCAL IMPACT**

Estimated Project Expenditures:

The following are the estimated total project expenditures without the add-alternates:

Construction Contract	\$39,967,000
Furniture, Fixtures, & Equipment	\$559,057
Architectural Team	\$3,610,202
Photovoltaic Panels	\$1,129,156
Construction Manager	\$917,950

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Utility and Connection Fees	\$92,500
Legal Ads	\$6,864
Temporary Facilities	\$430,108
Special Inspection & Testing	\$327,250
Environmental Fees	\$38,766
Planning & Building Fees	\$53,799
Construction Contingency	\$5,000,000
Architectural Contingency	\$125,951
Total	\$52,258,603

Due to the current economic climate, staff did not include the add-alternates in the project budget. If the Council would like to include any of the add-alternates, which total \$171,000, they can be added to the project scope now. Or, the Council can choose to use any remaining contingency funds to pay for the add-alternates. When approving the Resolution, the Council should indicate which add-alternates, if any, should be included as part of the construction contract.

For work completed through February 2020, the City has expended approximately \$2,686,803 on architectural/engineering, construction manager services, temporary facilities installation, legal ads, and other testing fees since the Design Development phase. These costs are included in the project expenditures above. In addition, staff will research options to secure the photovoltaic panels through partial grant funding and/or a no-to-low interest loan.

The remaining estimated cost to complete the project is \$49,571,800, including the photovoltaic panels.

Funding Availability:

In November 2017, the voters of Burlingame approved Measure I, a ¼ cent sales tax measure that, at the time, was anticipated to generate an estimated \$1.75 million to \$2 million annually. At the January 27, 2018 goal-setting session, the City Council discussed the City Manager's recommended expenditure plan for the Measure I funds, which included an annual pledge of \$1 million toward debt service on the issuance of lease revenue bonds. The City Council approved the recommendation on February 20, 2018. The City Council approved an additional \$1 million annual General Fund transfer in the 2018-19 fiscal year budget, also intended to fund the debt service. In December 2019, issuance of the Burlingame Financing Authority Lease Revenue Bonds, Series 2019 yielded \$38,928,561 specifically for construction and equipping of the Burlingame Community Center project. The remaining \$10.6 million will be covered from the Capital Investment Reserve, which currently totals \$35.3 million.

Exhibits:

- Resolution
- Agreement with BHM Construction, Inc.