

Agenda Report

TO: CITY COUNCIL July 26, 2004
FROM: CITY HALL RESTORATION OVERSIGHT COMMITTEE
THROUGH: FINANCE COMMITTEE
SUBJECT: CITY HALL SEISMIC RETROFIT PROJECT UPDATE

RECOMMENDATION:

Receive and file.

CITY HALL RESTORATION OVERSIGHT COMMITTEE WORK:

The following informational report represents the City Hall Seismic Retrofit Project update to the City Council for the period April 1, 2004, through June 30, 2004.

A. Project Budget:

1. At this point in the project, the budget equates to \$93,273,000 and the estimated cost of the project is \$98,789,000, resulting in the budget overage of \$5,516,000. The budget overage is directly related to the industry-wide escalation of price increases in construction materials across the board, most notably concrete, steel products, and forming lumber. The project contingency amounts to \$8,619,000 which equates to 9% of the total project cost. The final cost report, based on the 100% of the construction document submittal, will be completed by the end of July, 2004.
2. The Committee reviewed numerous sources and participated in discussions relating to the state of industry-wide cost escalation of construction materials. The Committee recognizes the recent escalation trend in the cost of building materials and the direct impact it has on the cost of the City Hall project. The Committee is somewhat encouraged by the recent market reports which suggest that the rapid escalation of building materials may have peaked and may even be lessening.
3. In order to address both supply and cost issues, the Committee has participated in brainstorming activities to develop bidding and procurement strategy options, including direct procurement and tying the cost of materials to standard cost indexes. At this point, tying the cost of steel and concrete to standard cost indexes may be a good option.

B. Project Schedule:

1. Reviewed and commented on the project schedule which supports that the overall project remains on schedule with staff relocation efforts commencing in June, 2004.

C. Competitive Bidding:

The solicitation of the general contractor bidding package will commence in late July. The bidding process will be completed in a two phases. The first part of the process will involve a pre-qualification process. Those firms meeting the pre-qualification requirements will be invited to submit sealed bids on the detailed specifications for the project. The contract will be awarded to the lowest responsive and responsible bidder from the pre-qualified group.

1. The construction contracting package will consist of a blind sealed base bid, with additive bid alternates. The base bid will consist of required scope of work topics which will allow staff to reoccupy the City Hall building in 2007. The Committee supports staff's intention to complete the work efforts necessary to vacate temporary leased space and eliminate interim lease obligations. The base bid scope of work will include:
 - a) Seismic strengthening – basement demolition and base isolator installation
 - b) Mechanical, electrical, plumbing, fire sprinkler and alarm systems
 - c) Interior tenant improvements
 - d) Offsite utility connections
 - e) Data/telecommunication installation

During the bidding process, the potential general contractors are to provide pricing for constructing additive bid alternates. This process will provide costs for constructing items which may be added to construction efforts if budgetary funds are available. If a budget shortfall remains, the additive bid alternate approach will enable the project to move forward with the current budget approved by City Council. The potential delay topics/bid alternate categories are as follows:

- a) Historic restoration – interior and exterior
- b) Site work/landscape – softscape and hardscape
- c) Interior tenant improvements (nonrequired areas)
- e) Nonessential technology improvements

The Committee will be assisting staff in prioritizing the list of bid alternates in the coming month. The City may choose to delay completion of these topics until after staff reoccupation, or in the future when alternative financial means are identified to complete the work. While the Committee is dedicated to providing City Council with a means to move forward within the current

budgetary parameters, the Committee does not support the elimination and/or deferment of such topics unless absolutely necessary.

2. Participated in "prevailing wage" versus "union" labor discussions with staff which indicate that entering into a project labor agreement would jeopardize Federal FEMA funding of \$6.7 million. The Committee supports the City Hall project being a "prevailing wage" job.

D. Design:

1. Concurred with the advisory direction given by the Design Commission on April 12th, 2004, in support of the project plans as submitted by the project architect for the single ADA ramp located at the front of City Hall (north side) along Garfield Avenue.

E. Building Investigation:

1. Recommended exploring "as-built" conditions in the vacated sections of the building with the goal of uncovering discrepancies in the plans versus the actual building conditions. Investigative work includes the partial removal of T-bar ceilings and drywall in critical areas of the building, to determine ceiling conditions, verify column line measurements, roof drain riser locations, and utility penetrations.

F. Local Pasadena Outreach:

Participated in outreach discussions with staff to formulate approaches to increase the level of local contractor, subcontractor, and business involvement in the City Hall project. Local outreach efforts are to include:

1. Preconstruction work activities
 - a) Staff relocation services
 - b) Site fencing
 - c) Hazardous materials abatement
 - d) Tree and building protection
 - e) Temporary facilities tenant improvements
 - f) City Hall building investigations
2. Data collection approaches to solicit company names and involvement of local contractors, subcontractors, and businesses. The database information is to be forwarded to all of the potential general contractors during the bidding process and through the construction phase. The avenues of data collection are to include:
 - a) Advertising in local publications
 - b) Distribution of outreach flyers at local community centers, neighborhood groups, churches, etc.
 - c) Holding outreach job fairs and workshops

3. Project awareness campaigns to inform the building community of upcoming work activities and events, including:
 - a) Project updates in the local "In-Focus" publication
 - b) Press releases in local newspapers

NEXT STEPS:

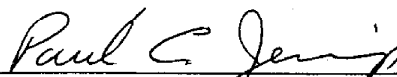
The Committee is currently participating with staff in the General Contractor selection process. The Committee will be assisting staff in the development of bidding contingency plans if the bids come in higher than expected. The contingency plans will be in the form of a recommended list of prioritized "Bid Alternates." The Committee will also be participating in reviewing the final cost report, paying particular attention to market escalation fluctuation in building materials.

FISCAL IMPACT:

While the actual costs associated with the project will not be known until actual bids are submitted to the City for consideration, the Committee still wishes to express its concern with respect to the rapid escalation of costs within the construction industry. The Committee also wishes to once again caution City Council that the majority of nonessential project scope items have been eliminated from the project.

While it is likely that project budget challenges will remain, the Committee will be working with staff to develop a list of potential scope reduction topics and/or items which can be deferred in order to meet the project budget. The Committee may not support the elimination and/or deferment of such topics. However, the Committee is dedicated to the completion of the project and will be communicating to City Council what aspects of the project will need to be eliminated and/or delayed in order to remain within budget.

Respectfully submitted,



PAUL C. JENNINGS, Chair
City Hall Restoration Oversight Committee