

## CITY COUNCIL AGENDA ITEM NO. 14

**Meeting Date:** October 27, 2009

**Subject/Title:** Consider including the Parking Structure in Phase 1 of the construction of the Civic Center Project and if the decision is to move forward: 1) direct staff to prepare and negotiate a professional services agreement with Lathrop Construction Associates, Inc. (Lathrop) for management of the Parking Structure construction 2) authorize funding in an amount not to exceed \$126,285 and authorize the City Manager or designee to prepare and execute amendments to consultant service agreements to include this component into the project; and 3) authorize staff to negotiate a change order with Lathrop to delete the surface parking lot from the project and begin preparatory work for the Parking Structure

**Prepared by:** Karen Chew, Assistant City Manager

**Submitted by:** Donna Landeros, City Manager

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### RECOMMENDATION

Consider including the Parking Structure in Phase 1 of the construction of the Civic Center Project and if the decision is to move forward: 1) direct staff to prepare and negotiate a professional services agreement with Lathrop for management of the Parking Structure construction; 2) authorize funding in an amount not to exceed \$126,285 and authorize the City Manager or designee to prepare and execute amendments to consultant service agreements to include this component into the project; and 3) authorize staff to negotiate a change order with Lathrop to delete the surface parking lot from the project and begin preparatory work for the Parking Structure.

### PREVIOUS ACTION

On April 10, 2007, City Council endorsed the Brentwood Civic Center Five Year Financing and Phasing Plan in concept and authorized staff to bring the Plan components to the City Council for formal consideration as part of the 2007/08 – 2011/12 CIP budget.

On April 24, 2007, City Council, by Resolution No. 2007-89, authorized the City Manager to Execute an Agreement with LPA, Inc., for the architectural planning, design and related services of the New City Hall (CIP No. 337-31390), including the Civic Center Parking Facility and Civic Center Plaza in an amount not to exceed \$2,922,218, plus contingency of \$292,221 for a total of \$3,214,439.

On November 13, 2007, by Resolution No. 2007-269, City Council 1) endorsed the Civic Center Conceptual Plans; 2) endorsed the City Hall and Community Center Building Plans; 3) endorsed the History Walk concept as one of the Required Art Components of the Civic Center; and 4) directed staff to proceed with this project to design development.

On May 13, 2008, by Resolution No. 2008-115, City Council approved the Swinerton Management and Consulting contract for Construction Management services for the Civic Center Project.

On May 13, 2008, by Resolution No. 2008-117, City Council endorsed the City Park Master Site Plan.

On August 26, 2008, by Resolution No. 2008-220, City Council approved the Mitigated Negative Declaration for the Brentwood Civic Center project; by Resolution No. 2008-221, approved the General Plan amendment (GPA 07-02) to change the land use designation on a portion of the Civic Center site from Park to Downtown (mixed use); by Resolution No. 2008-222, approved a Downtown Specific Plan amendment to add the Brentwood Civic Center District Zone, create site development standards and permitted uses for the new district zone, and re-designate City Park, the adjacent Maple Street and Third Street and two City-owned parcels to the new district zone; and by Resolution No. 2008-223, approved a summary vacation for portions of Maple Street and Third Street.

On November 18, 2008, City Council directed staff to implement a phased approach for the Civic Center Project consisting of building the City Hall and Community Center as Phase 1; and the Parking Structure as Phase 2.

On March 24, 2009, by Resolution No. 2009-63, City Council authorized the preparation of a Labor Stability Study for the proposed Civic Center Project.

On April 14, 2009, City Council authorized staff to prepare a prequalification package and commence prequalification process for general contractors.

On May 12, 2009, by Resolution No. 2009-100, City Council accepted the labor Stability Study and directed staff to begin the negotiation process toward a Project Labor Agreement.

On June 18, 2009, by Resolution No. 2009-133, City Council approved the Project Labor Agreement and provided direction to Swinerton Management and Consulting to execute the agreement and include it in the bid documents for the Civic Center Project.

On June 23, 2009, City Council directed staff to go to bid for the construction of the Civic Center Project.

On September 8, 2009, by Resolution No. 2009-189 the City Council (as the Brentwood Infrastructure Financing Authority) authorized the issuance, sale and delivery of not to exceed \$48,000,000 aggregate principal amount of Civic Center Project Lease Revenue Bonds.

On October 13, 2009, City Council awarded the construction contract for Phase 1 of the Civic Center Project to Lathrop in an amount of \$28,486,000 plus contingency for a total of \$32,758,900.

## **BACKGROUND**

In April, 2007, the City Council by Resolution No. 2007-89, authorized the City Manager to execute an Agreement with LPA, Inc., for the architectural planning, design and related services of the New City Hall (CIP No. 337-31390), which included the Civic Center Parking Structure and Civic Center Plaza. Due to the drastic downturn of the economy, in November 2008 it was determined that the Parking Structure should be constructed as Phase 2 of the project and instead build a surface parking lot as part of Phase 1. The Parking Structure design was completed, but was removed from the plans so that it could be bid and built at a later time. As the environmental analysis that was adopted for the original approval of the Civic Center project included the Parking Structure, it was subsequently amended to address the impacts of building the Parking Structure in Phase 2 of the project. It should be noted that, from an environmental

review perspective, the Parking Structure could be built in either Phase 1 or Phase 2, since both the original and amended environmental approvals of the Parking Structure remain valid.

The state of the economy resulted in very favorable construction bids for the Civic Center Project, Phase 1, approximately 16.4 million dollars less than expected. Therefore, the City Council may now wish to consider the inclusion of the Parking Structure in Phase 1 of the Civic Center project.

Staff has explored various delivery options to construct the Parking Structure should the Council choose to include it in construction of Phase 1 of the project. Due to the proximity of the Parking Structure to the City Hall and Community Center sites, severe access and staging constraints exist. Close coordination with construction of the Phase 1 work will be essential. After an in-depth analysis, staff recommends utilizing a delivery method similar to the Construction Management at Risk (CMAR) delivery method with Lathrop to manage the construction of the Parking Structure. This is the delivery method that was used recently to construct the Library remodel at 104 Oak Street and is similar in its approach to the multi-prime delivery method that was used for construction of the City's Senior Center and Police Department.

The proposed method competitively bids the work in various trade packages and assigns those contracts to Lathrop, who then takes on the risk of getting the project completed on time and on budget. As Lathrop will be constructing the remainder of the Civic Center Project and has considerable CMAR experience, staff is confident in the company's ability to manage this project concurrently with its work on the Civic Center. Swinerton Management and Consulting will oversee the construction of the Parking Structure as part of the overall project. By proceeding in this manner, among other things, the City has the ability to maintain consistency for use of specific equipment being used on the Civic Center Project (the elevator, for example). Staff believes that this approach will enable the City to minimize its exposure to claims arising from coordination and schedule issues related to construction of the parking structure.

If the Council wishes to move forward with the Parking Structure in Phase 1, a change order will be negotiated with Lathrop for the revisions to their scope of work for the overall project, including the deletion of the surface parking lot and preparatory work for the Parking Structure.

Other delivery methods that were explored include bidding out the Parking Structure, or portions thereof, as a separate project. Staff also considered the feasibility of utilizing a change order, and finally, bidding the garage project as "multi-prime". Each method was evaluated based on legal, financial, and delay considerations and was presented to the Civic Center Financing Ad Hoc Subcommittee, consisting of Vice Mayor Stonebarger and Councilmember Becnel.

Since the Parking Structure was moved to Phase 2 of the project, the last cost estimate that staff received was done at 50% design. Staff has since obtained a revised cost estimate to reflect current market conditions. The current engineers' estimate for construction of the Parking Structure is approximately 7.1 million dollars. Total project costs will be determined once the agreements and change orders are negotiated and the bids for the trade packages are received. In order to move forward with including the Parking Structure in Phase 1 of the project at this time, the Council would need to authorize a not to exceed amount of \$126,285 to prepare and execute amendments to existing agreements to finalize design of the Parking Structure and for preparation of materials to bid the project.

If the Council decides to move forward with the Parking Structure as part of Phase 1 of the project, staff will begin negotiations with Lathrop to enter into a professional services agreement

for construction management of the Parking Structure and a change order to delete the surface parking lot from the project, as well as to begin preparatory work for the construction of the Parking Structure. Staff estimates the Council could award the agreement to Lathrop in November and award the trade contracts in February. Construction on the Parking Structure could begin as early as March 2010, with a completion date of June 2011. The impact on the overall project schedule should be minimal if the direction is to move forward and mobilization begins now.

### **FISCAL IMPACT**

The current CIP Budget contains a Civic Center Parking Facility Phase 1 and a separate Phase 2. Phase 1, which includes a surface parking lot, has a budget of \$1,342,420. Phase 2 of the project (Parking Structure) is unfunded as it was intended to be included in Phase 2 of the Project. If the decision is to include the Parking Structure as a part of Phase 1 of the project, the CIP budget would need to be amended to include this part of the project, eliminating the need for Phase 2. In order to finalize the design of the Parking Structure and to prepare the documentation to send the project to bid, the City Manager or designee will need authorization to prepare and execute amendments to the following consultant contracts in an amount not to exceed a total of \$126,285:

LPA, Inc. \$71,855

Swinerton Management and Consulting \$40,000

Ingersoll Rand \$5,000

Client First \$4,430

Brentwood Reprographics \$5,000

The necessary funds for these expenditures are available in the existing Phase 1 CIP project budget. This authorization is only necessary if the Council desires to move forward with the Parking Structure as part of Phase 1 of the Civic Center Project. Should the Council elect to move forward with the Parking Structure as part of Phase 1 of the project, staff will bring back an amended CIP Budget sheet for the Civic Center Parking Facility Project which will include all costs of the Parking Structure. If the decision is made to leave the Parking Structure as part of Phase 2 of the project, no action is required.

Attachment:  
Resolution

## RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRENTWOOD 1) DIRECTING STAFF TO PREPARE AND NEGOTIATE A PROFESSIONAL SERVICES AGREEMENT WITH LATHROP CONSTRUCTION ASSOCIATES, INC. (LATHROP) FOR MANAGEMENT OF THE PARKING STRUCTURE CONSTRUCTION AS PART OF PHASE ONE OF THE CIVIC CENTER PROJECT 2) AUTHORIZING FUNDING AND DIRECTING THE CITY MANAGER OR DESIGNEE TO EXECUTE AMENDMENTS TO EXISTING AGREEMENTS IN AN AMOUNT NOT TO EXCEED \$126,285 SO AS TO INCLUDE THE PARKING STRUCTURE IN PHASE ONE OF THE PROJECT AND 3) DIRECTING STAFF TO PREPARE BID DOCUMENTS AND NEGOTIATE CHANGE ORDERS AS NECESSARY TO COMPLETE THE CONSTRUCTION OF THE PARKING STRUCTURE AS PART OF PHASE ONE OF THE CIVIC CENTER PROJECT**

**WHEREAS**, on April 10, 2007, City Council endorsed the Brentwood Civic Center Five Year Financing and Phasing Plan in concept and authorized staff to bring the Plan components to the City Council for formal consideration as part of the 2007/08 – 2011/12 CIP budget; and

**WHEREAS**, on April 24, 2007, City Council, by Resolution No. 2007-89, authorized the City Manager to Execute an Agreement with LPA, Inc., for the architectural planning, design and related services of the New City Hall (CIP No. 337-31390), including the Civic Center Parking Structure and Civic Center Plaza in an amount not to exceed \$2,922,218, plus 10% contingency of \$292,221 for a total of \$3,214,439; and

**WHEREAS**, on November 13, 2007, by Resolution No. 2007-269, City Council 1) endorsed the Civic Center Conceptual Plans; 2) endorsed the City Hall and Community Center Building Plans; 3) endorsed the History Walk concept as one of the Required Art Components of the Civic Center Project; and 4) directed staff to proceed with this project to design development; and

**WHEREAS**, on May 13, 2008, by Resolution No. 2008-115, City Council approved the Swinerton Management and Consulting contract for Construction Management services for the Civic Center Project; and

**WHEREAS**, on May 13 2008, by Resolution No. 2008-117, City Council endorsed the City Park Master Site Plan; and

**WHEREAS**, on August 26, 2008, by Resolution No. 2008-220, City Council approved the Mitigated Negative Declaration for the Brentwood Civic Center Project; by Resolution No. 2008-221, approved the General Plan amendment (GPA 07-02) to change the land use designation on a portion of the Civic Center site from Park to Downtown (mixed use); by Resolution No. 2008-222, approved a Downtown Specific Plan amendment to add the Brentwood Civic Center District Zone, create site development standards and permitted uses for the new district zone, and re-designate City Park, the adjacent Maple Street and Third Street and two City-owned parcels to the new district zone; and by Resolution No. 2008-223, approved a summary vacation for portions of Maple Street and Third Street; and

**WHEREAS**, on November 18, 2008, City Council directed staff to implement a phased approach for the Civic Center consisting of building the City Hall and Community Center as Phase 1; and the Parking Structure as Phase 2; and

**WHEREAS**, on March 24, 2009, by Resolution No. 2009-63, City Council authorized the preparation of a Labor Stability Study for the proposed Civic Center Project; and

**WHEREAS**, on March 24, 2009, City Council accepted the Civic Center status report and authorized staff to move forward with next steps; and

**WHEREAS**, on April 14, 2009, City Council authorized staff to prepare a prequalification package and commence prequalification process for general contractors; and

**WHEREAS**, on May 12, 2009, by Resolution No. 2009-100, City Council accepted the Labor Stability Study and directed staff to begin the negotiation process toward a Project Labor Agreement; and

**WHEREAS**, On June 18, 2009, by Resolution No. 2009-133, City Council approved the Project Labor Agreement and provided direction to Swinerton Management and Consulting to execute the agreement and include it in the bid documents for the Civic Center Project; and

**WHEREAS**, On June 23, 2009, City Council directed staff to go to bid for the construction of the Civic Center Project; and

**WHEREAS**, the bid process was a formal process, preceded by a prequalification process. In May 2009, staff received pre-qualification packages from 25 contractors interested in the Civic Center Project. After careful review, the list was narrowed to 15 contractors meeting our qualifications to bid on the project. Of those 15, 11 bid the project; and

**WHEREAS**, on September 1, 2009, at 2:00 PM in the Council Chambers, the bids were opened and read aloud by the City Clerk; and

**WHEREAS**, on September 8, 2009, the City Council authorized the issuance of Civic Center Project Lease Revenue bonds not to exceed \$48,000,000

**WHEREAS**, on October 13, 2009, the City Council authorized staff to enter into a construction contract with Lathrop Construction Associates, Inc. in the amount of \$28,486,000 plus a 15% contingency \$4,272,900 for a total amount not to exceed \$32,758,900.

**WHEREAS**, a Notice to Proceed was issued on October 19, 2009 and work will commence on October 27th; and

**WHEREAS**, the favorable construction climate has caused the Council to direct the construction of the Parking Structure to occur as part of Phase 1 of the Project, rather than in Phase 2; and

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Brentwood hereby:

1. Authorizes staff to prepare and negotiate a Professional Services Agreement with Lathrop Construction Associates, Inc. for management of the Parking Structure construction.
2. Authorizes staff to begin negotiations with Lathrop Construction for the appropriate change orders to delete the surface parking lot and to begin the preparatory work necessary for the construction of the Parking Structure as part of Phase 1 of the project.
3. Authorizes the expenditure of funds in an amount not to exceed \$126,285 for the execution of amendments to the following agreements to complete the design and to prepare the documentation to send the project to bid: LPA, Inc. - \$71,855, Swinerton Management and Consulting - \$40,000, Ingersoll Rand - \$5,000, Client First - \$4,430, Brentwood Reprographics - \$5,000.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Brentwood at a regular meeting held on the 27<sup>th</sup> day of October 2009 by the following vote:

