



AGENDA REPORT

Meeting Date: August 5, 2008
Item Number: E-2
To: Honorable Mayor & City Council
From: Allen Rubenstein, Project Manager
Subject: APPROVAL OF THE AWARD OF A CONTRACT TO BAYLEY CONSTRUCTION, A GENERAL PARTNERSHIP FOR THE CONSTRUCTION OF THE 331 FOOTHILL ROAD OFFICE BUILDING; AND APPROVING PLANS AND SPECIFICATIONS THERFOR; AND APPROVE A PURCHASE ORDER IN THE AMOUNT OF \$21,907,000 TO BAYLEY CONSTRUCTION, A GENERAL PARTNERSHIP FOR THE CONTRACT WORK

Attachments: 1. Form of Contract

RECOMMENDATION

Staff recommends that the City Council move to approve the award of a contract to the lowest responsible bidder, Bayley Construction, a General Partnership for the construction of the 331 Foothill Road Office Building in the amount of \$20,607,000; approval of the construction contingency of \$1,300,000; approval of the plans and specifications for the Project, dated May 1, 2008, which are adopted and approved with respect to design criteria; and approval of the purchase order in the amount of \$21,907,000.

INTRODUCTION

The proposed 331 Foothill Road Office Building, is located at the northwest corner of Third Street and Foothill Road, and is the fourth structure of the Public Works Campus Master Plan that the City Council adopted in November 2006. Previous components are the existing Public Works Facility and Water Treatment Plant, the Vehicle Shop, and the 9333 Third Street Parking Structure, which has recently commenced construction. Future development includes a warehouse/shop building and the remainder of the site improvements to complete the Master Plan.

DISCUSSION

Design

Steven Ehrlich Architects, a prominent local architect, was engaged to design the 331 Foothill Office Building. It is a four-story, 72,000 square foot structure that will house the City's Cable TV operations and studio, and provide leasable space for offices, possibly retail and a restaurant. In the long term, any or all of the building can be utilized for City purposes.

The building is a steel frame structure with a glazed transparent curtain-wall façade that maximizes the natural light. Aluminum louvers are integrated in the exterior design to provide shade. Terracotta fiber-reinforced cement panels complete the design composition of the building. The facade of the parking facility has similar exterior elements with the intent to create a harmonious connection of these side by side structures.

Bid Process

The City sought to obtain bids from experienced office building contractors for the construction. A prequalification procedure was utilized following the State guidelines. Among the items that the procedure required was construction experience in several recent, local, and similar completed projects. The process was advertised in the Beverly Hills newspapers, construction trade journals, and the construction documents were posted on the city's website.

There was a great interest in the project, as prequalification documents were sent to 44 firms, and eight firms applied for prequalification. After examination of the submissions, five firms were prequalified by the staff. None of the rejected firms chose to appeal.

The project was issued for bid to the prequalified firms on May 5, 2008, and the bids opened on June 17, 2008.

Bid Alternates

The bid documents required quotations for five alternate bid items in addition to the base building lump sum bid. These bid alternates are described as follows:

- Alternate 1 provides the tenant improvements for the City's Cable TV facility that will be located on the fourth floor of the building, including offices, green room, and separate air handling units, control rooms, media library, as well as the built-in infrastructure.
- Alternate 2 requires the contractor to design-build a photovoltaic solar panel rooftop system for the generation of electrical power, including the engineering services, fabrication, and installation.
- Alternates 3 and 4 add corridors on the third and fourth floors if these become multi-tenant floors.
- Alternates 5a and 5b add demising walls on the first and upper floors to enclose the lease spaces.

Bid Results

Three bids were received from Bayley Construction, C.W. Driver and Swinerton Builders. The bid results are as follows:

	<u>Bayley</u>	<u>Driver</u>	<u>Swinerton</u>
Base Bid	\$18,890,000	\$19,118,000	\$19,839,000
Alternate 1Cable TV Studio	\$1,350,000	\$1,369,000	\$810,000
Alternate 3Second Floor Corridor	\$112,000	\$147,000	\$107,000
Alternate 4Third Floor Corridor	\$112,000	\$148,000	\$106,000
Alternate 5a..... First floor demising walls	\$34,000	\$23,000	\$17,000
Alternate 5b.... Upper floor demising walls	\$53,000	\$39,000	\$26,000
20 days compensatory delay	<u>\$56,000</u>	<u>\$88,000</u>	<u>\$160,000</u>
Basis of Contractor Selection	\$20,607,000	\$20,932,000	\$21,065,000
Alternate 2Design/build solar panels	<u>\$485,000</u>	<u>\$486,000</u>	<u>\$307,000</u>
Total with solar panels	\$21,092,000	\$21,418,000	\$21,372,000

Anticipating that there could potentially be solar panel design differences between the bidders, it was deemed prudent not to include this alternate bid item as part of the basis of contractor selection.

The bids were reviewed and the lowest responsible bidder is Bayley Construction. Based on the analysis of the results, the staff recommends approval of all of the alternate bid items except the solar panels, resulting in a construction award of \$20,607,000.

The bid documents specify a 600 day (twenty month) completion period for the work including the Cable TV facility. The projected project completion is April-May 2010.

A contingency of \$1,300,000 (6%), excluding the cost of solar panels, has been included in the purchase order to cover unforeseen conditions. Expenditures from the contingency are made utilizing the Change Order process upon adequate written justification and substantiation.

LEED & Solar Panels

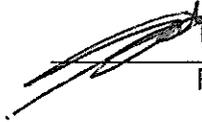
While the 331 Foothill Road Office Building preceded the new City Green Building Ordinance, the project shell and core was designed according to the LEED Green Building standards and will be submitted for LEED certification. The project also has provision for solar panels, and the intent is to have this project be the first City building with photovoltaic panels for electrical power generation.

However, staff recommends that the low bidder's solar panel alternative be deferred and not be accepted at this time. The nature of Alternate 2, as a design-build component, requires a time-consuming engineering analysis to be properly evaluated. Anticipating this, the bid documents allow the City 120 days to accept or reject this alternate. Solar panels are a new and quickly changing technology. Staff intends to vet the concept and return to the City Council with a solar panel recommendation that is in the best interest of the City, that either accepts this alternative or proposes another course of action.

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FISCAL IMPACT

The total contract amount of \$21,907,000 (including the contingency) has been budgeted for in the FY 08-09 Capital Improvement Program (CIP) budget approved by the City Council last June for the 331 Foothill Road Office Building Project #0888.

 Scott G. Miller
Finance Approval

 David D. Gustavson 
Approved By

APPENDIX A

FORM OF CONTRACT

This contract ("Contract") is entered into by and between the City of Beverly Hills ("City"), a California municipal corporation, and Bayley Construction, a General Partnership, corporation, whose address is 3730 South Susan Street, Suite 200, Santa Ana, Ca 92704-3456

In consideration of the agreements herein contained, the parties agree as follows:

1. **WORK TO BE PERFORMED.** Contractor shall furnish at Contractor's own expense all labor, materials, supplies, equipment, tools, transportation and other items of expense necessary to complete in a workmanlike manner all Work in accordance with the terms and conditions of the Contract, except for the labor, materials, supplies, equipment, tools, transportation and other items of expense as may be required to be furnished by the City. The Work is defined in detail in the Contract Documents, which govern the interpretation and performance of this Contract, but may be generally described as follows:

Item Description: The construction of a 72,000sf four story, shell and core, moment steel frame, first-class office building, with no basement. The exterior consists of a glass and mullion exterior with portions of fiber reinforced cementitious panels, and sections of aluminum fins.

2. **CONTRACT DOCUMENTS.** This contract consists of this Form of Contract and the following Contract Documents, including all exhibits, appendices, addenda, drawings, specifications and documents therein and attachments thereto, all of which are by this reference incorporated herein and made a part of this Contract:

SECTION 1: NOTICE INVITING BIDS
SECTION 2: INSTRUCTIONS TO BIDDERS
SECTION 3: SPECIAL CITY REQUIREMENTS
SECTION 4: GENERAL SPECIFICATIONS
SECTION 7: ADDITIONAL FORMS
SECTION 8: GENERAL CONDITIONS
APPENDIX B: SCOPE OF WORK
APPENDIX C: PAYMENT PROCEDURES
APPENDIX D: BID FORM
APPENDIX E: TECHNICAL SPECIFICATIONS

as contained in City's Bid Document for Bid No. **08-19** dated **May 1, 2008**, and

SECTION 5: BIDDER'S BID
SECTION 6: SIGNATURE PAGE AND LEGAL STATUS

of Contractor's Bid in response thereto, all of which are incorporated herein by reference, and all of which shall comprise the Contract Documents for this Contract. If any item of the Scope of Work, Payment Schedule, or any other item of the Bid Package is modified by either of the parties or arrived at by negotiation between the parties, that item as finally agreed upon by the parties shall also become a Contract Document, it shall supersede the corresponding item of the Bid Package, if any, and it shall be subject to all terms and conditions of the Contract.

3. PERFORMANCE PERIOD. Contractor shall commence Work after execution of the Contract, as provided in the Notice to Proceed, and shall complete all Work in accordance with the Schedule set forth in the Contract Documents.

4. PAYMENT. City shall pay Contractor as full consideration for the satisfactory performance by Contractor of all Work required under this Contract the sum of Twenty Million Six Hundred and Seven Thousand Dollars (\$20,607,000) payable as provided in the Contract Documents, inclusive of Alternate Bids 1, 3, 4, 5a and 5b.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the _____ day of _____, 2008, at Beverly Hills, California.

City:
CITY OF BEVERLY HILLS
a municipal corporation

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

ATTEST:

BYRON POPE
Acting City Clerk (SEAL)

Bayley Construction,
a General Partnership

Mark E. Florer, Vice President &
Senior Construction Manager

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

RODERICK J WOOD
City Manager

DAVID D. GUSTAVSON
Director of Public Works &
Transportation

(Signatures Continue)

ALAN SCHNEIDER
Director of Project Administration

KARL KIRKMAN
Risk Manager