

REPORT

**To the Honorable Mayor and City Council
From the City Manager**

December 11, 2006

Subject

Award of Contract – Redwood Shores Community Library Project

Recommendation

1. By motion, approve the Contract Documents, and accept the lowest responsive base bid and bid alternatives in the amount of \$14,472,500 from Sausal Corporation of San Leandro, California, for the Redwood Shores Community Library Project, and return all other bid securities.
2. By resolution, amend the Redwood City Budget for Fiscal Year 2006-2007 by appropriating \$2,564,000 from the General Fund Reserve for the Redwood Shores Community Library Project accounts (of which \$440,000 is new transfer tax revenue from a commercial property sale); and authorize appropriations of \$466,000 from the FY 2007-2008 budget (from the anticipated savings from the Library's operating budget) to the Redwood Shores Community Library Project accounts. The additional \$3,030,000.00 will cover the shortfall for awarding the construction contract with alternatives, construction contingency, furniture procurement, construction management services, testing and inspection services and signage package.

Background

Beginning in September 2002, the City with the assistance of Anderson Brule Architects (ABA), prepared a needs assessment and conceptual design and submitted a Grant application to the State Office of Library Construction for grant funds as authorized by the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000, in March 2003. During this process, ABA and staff engaged the Redwood Shores Community in numerous meetings to review and develop the needs assessment and program for the Library. In October 2003, the California Public Library Construction and Renovation Board approved Redwood City's grant application for a 22,500 square foot library in the amount of \$10.1 million.

The design was completed with a minor reduction of size to 22,000 square feet, and approved by the State's Department of Office of Library Construction (OLC) for advertising in March 2006. Multi-trade bids were solicited during the summer and bids were received on July 20, 2006. The sum \$15,269,231 for all the apparent low multi-trade bids was 33% higher than the budget estimate of \$11,500,000, for construction.

Due to the unsatisfactory and uncompetitive bids that were received, City Council, on September 25, 2006, rejected all bids and authorized re-advertising using the conventional bidding method of soliciting lump sum bids from general contractors.

Five bids were received on November 15, 2006, with the apparent low bid from Sasual Corporation being 26% above the budget estimate of \$11,500,000. After review of the bids and verification of the low bidder's qualifications, staff believes that the bids are responsive and recommends awarding the contract to Sausal Corporation. The new low bid combined with the cost of construction management represents a savings of approximately \$1.6 million in comparison with the multi-trade bids received on July 20, 2006.

However, a shortfall of \$3,030,000.00 remains and requires City Council Action. The following funding sources have identified to support the additional needs:

1. Unreserved Fund Balance in General Fund (of which
\$440,000 is from Transfer tax from commercial property sale) \$2,564,000.00

2. Anticipated savings from Library Operating Budget
In FY 07-08 (Library will open in FY 08-09) 466,000.00
\$3,030,000.00

The apparent low bids and alternatives are summarized below:

No.	Bidder	Base Bid	Total with Alternate
1.	Sausal Corporation – San Leandro, CA	\$14,270,000	\$14,472,500
2.	S.J. Amoroso Construction, Co. – Redwood City, CA	\$14,857,000	\$15,244,000
3.	Ralph Larsen & Sons – San Mateo, CA	\$14,996,000	\$15,269,000
4.	Westbay Builders – Novato, CA	\$15,190,000	\$15,242,000
5.	BRCO – Loomis, CA	\$15,898,000	\$16,508,000
	Engineer's Estimate - \$11,300,000.00		

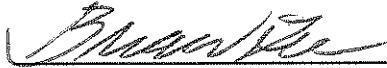
Alternatives

Council could direct staff to redesign this facility and reduce scope by reducing the size of the Library, with the goal of reducing costs. However, this action would require recertification from the State for changing the Library Program.

Fiscal Impacts

Currently, the account has a balance of \$13,800,000 available in the Capital Improvement Program Budget from the Capital Projects Fund and the GID 1-64 Facilities Fee Fund. An additional \$3,030,000 is required for awarding the construction

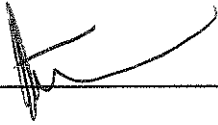
contract, construction contingency, furniture procurement, construction management services, testing and inspection services, a separate signage package and administrative costs.



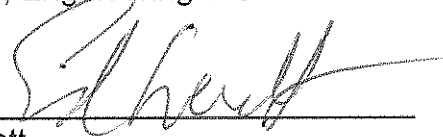
Brian Lee, P. E.
Senior Civil Engineer



Chu Chang, P.E.
Manager, Engineering & Construction



Peter Ingram
Community Development Director



Ed Everett
City Manager

Note: A copy of the Agreement and the complete list of bidders are available for review in the City Clerk's Office.

BL:ss
s/library/reports/brian/2006/Award_RWS Community Library_12.11.06

RESOLUTION NO. _____

RESOLUTION AMENDING THE REDWOOD CITY BUDGET FOR FISCAL YEAR 2006-2007 BY APPROPRIATING \$2,564,000 FROM THE GENERAL FUND RESERVE FOR THE REDWOOD SHORES COMMUNITY LIBRARY PROJECT ACCOUNTS ("PROJECT") OF WHICH \$440,000 IS FROM TRANSFER TAX FROM COMMERCIAL PROPERTY SALE; AND AUTHORIZE \$466,000 FROM THE FY 07-08 BUDGET (ANTICIPATED SAVINGS FROM LIBRARY OPERATING BUDGET) TO THE PROJECT ACCOUNTS

WHEREAS, in October 2003, the California Public Library Construction and Renovation Board approved Redwood City's grant application for a 22,500 square foot library in the amount of \$10.1 million; and

WHEREAS, the library design was completed with an area approximately 22,000 square feet, and approved by the State's Department Office of Library Construction (OLC) for advertising in March 2006; and

WHEREAS, after advertising using the conventional bidding method of soliciting lump sum bids, five bids for the Redwood Shores Community Library Project were received on November 15, 2006, with the apparent low bid from Sasaul Corporation; and

WHEREAS, the apparent lowest base bid and bid alternatives from Sasaul Corporation amounts to \$14,472,500; and

WHEREAS, there is a current balance of \$13,800,000 available for this Project in the Capital Improvement Program Budget from the Capital Projects Fund and the GID 1-64 Facilities Fee Fund; and

WHEREAS, there exists a shortfall of \$3,030,000 consisting of the construction contract award with the bid alternatives, construction contingency, furniture procurement, construction management services, testing and inspection services, and a separate signage package; and

WHEREAS, the shortfall of \$3,030,000 includes the shortfall of \$2,972,500, which represents the difference between the \$14,472,500 bid with alternatives total and \$11,500,000 in available funding for construction award; and

WHEREAS, staff has identified two available funding sources to cover the \$3,030,000 shortfall: \$2,564,000 from unreserved fund balance in the general fund (\$2,124,000 from unreserved fund balance in the general fund available as of December 11, 2006 and \$440,000 from additional property transfer taxes that are expected to be received in FY 2006/07), and \$466,000 from the FY 07-08 Budget (Anticipated Savings From The Library Operating Budget); and

WHEREAS, Council action is necessary to approve the appropriation or transfer of funds from these three sources to the Redwood Shores Community Library Project.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWOOD CITY, AS FOLLOWS:

1. The Finance Director shall transfer [establish an appropriation in the amount of] \$2,564,000 from the unreserved fund balance in the general fund [for] to the Redwood Shores Community Library Project Accounts

2. The Finance Director shall transfer \$466,000 in FY 07/08 from the (Anticipated Savings from the Library Operating Budget FY 07-08) Budget to the Redwood Shores Community Library Project Accounts.

4. The foregoing sums appropriated or transferred and added for the purposes herein specified are effective upon adoption of this resolution, and shall be an addition to all other sums appropriated or transferred for such purposes during the life of the project.

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