



Office of the City Manager

CONSENT CALENDAR
April 4, 2017

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Phillip L. Harrington, Director, Department of Public Works

Subject: Contract No. 10199 Amendment: D.L. Falk Construction, Inc. for 1947 Center Street Building Renovation, Phase II

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 10199 with D.L. Falk Construction, Inc. for the 1947 Center Street Building Renovation Phase II project, increasing the contract amount by \$250,000 for an amended total amount not to exceed \$6,412,276.

FISCAL IMPACTS OF RECOMMENDATION

Funding for this contract amendment is available in the FY 2017 budget in the Permit Service Center Fund 833-5215-463-6570-16CB03.

Original contract not-no-exceed amount	\$5,812,276
(Total Base Bid	\$5,114,000)
(Additive Bid Item No. 1	\$169,888)
(10% Contingency	\$528,388)
Prior Amendment	\$350,000
<u>Current Amendment - Permit Service Center Fund</u>	<u>\$250,000</u>
Amended contract not-to-exceed amount	\$6,412,276

This contract has been assigned CMS No. D6HMH.

CURRENT SITUATION AND ITS EFFECTS

The contract with D.L. Falk Construction, Inc. (DL Falk) for the 1947 Center Street Building Renovation Phase II project was executed in February 2016 for a total amount not to exceed (NTE) \$5,812,276. A contract amendment was later authorized in November 2016, increasing the total amount not to exceed (NTE) \$6,162,276. However, during the later stages of construction, additional unforeseen existing building conditions and conflicts were discovered that now require the contractor to perform additional work to mitigate those conditions. This additional work is spread throughout the building, and relates to many aspects of the original scope. Work is needed at various locations, and will require multiple change orders to the original scope that will impact the project's

various sub-contractors. Thus, the City is presently negotiating change orders with DL Falk that necessitates an increase in the NTE authorization.

BACKGROUND

The original project scope included interior renovation work from the basement through fourth floors, including construction of new interior walls; heating, ventilation and air conditioning (HVAC); electrical upgrades; upgrading interior finishes; and limited renovation to the restrooms. The project also includes installation of new fire sprinklers on the fifth and sixth floors.

The City completed the relocation of the Planning and Development Department from its prior location at 2120 Milvia Street to the first through third floors of 1947 Center Street in January 2017. The remaining work at 1947 Center Street is expected to be completed in April 2017.

The 1947 Center Street Building Renovation Phase II Project Request for Proposals (Specification No. 16-10983-C), was released for bids in November 2015, and received a total of five bids. DL Falk of Hayward, California was the lowest responsive and responsible bidder, and the contract was awarded to DL Falk for their Total Base Bid (\$5,114,000) and Additive Bid Item No.1 (\$169,888) combined.

ENVIRONMENTAL SUSTAINABILITY

The City anticipates this project will reduce the carbon footprint of 1947 Center Street due to the installation of new energy efficient lighting and lighting controls, as well as a system upgrade to the digital controls for the HVAC system.

RATIONALE FOR RECOMMENDATION

The requested funding increase is essential to negotiate final construction change orders, and to finish the project. The City does not have the required staff or in-house expertise needed to undertake these construction activities.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Paul V. Kaushal, Manager of Engineering, Public Works (510) 981-6396

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 10199 AMENDMENT: D.L. FALK CONSTRUCTION, INC. FOR 1947 CENTER STREET BUILDING RENOVATION, PHASE II

WHEREAS, on January 19, 2016, by Resolution No. 67,345-N.S. the City Council authorized Contract No. 10199 with D.L. Falk Construction in an amount not to exceed \$5,812,276 for the 1947 Center Street Building Renovation, Phase II project; and

WHEREAS, on November 29, 2016, by Resolution No. 67,759-N.S. the City Council authorized an amendment to Contract No. 10199 with D.L. Falk Construction, increasing the contract amount by \$350,000 for a total amended amount not to exceed \$6,162,276; and

WHEREAS, an increase of \$250,000 to the not to exceed amount is needed to negotiate final construction change orders and to complete the project; and

WHEREAS, the City has neither the staff expertise nor the equipment in-house necessary to undertake this construction work; and

WHEREAS, funds are available from the FY 2017 budget Permit Service Center Fund 833, and the contract amendment is entered into the City contract management database as CMS No. D6HMH.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to the contract with D.L. Falk Construction, Inc. for the 1947 Center Street Building Renovation Phase II project, increasing the contract amount by \$250,000 for a total amended amount not to exceed \$6,412,276.

