To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Phillip L. Harrington, Director, Public Works
Subject: Amendment to Contract No. 31900124: B Bros Construction Inc. for Adult Mental Health Services Center Renovations Project at 2640 Martin Luther King Jr Way

RECOMMENDATION
Adopt a Resolution authorizing the City Manager to amend Contract No. 31900124 with B Bros Construction, Inc. to complete renovation and seismic upgrade work at the Adult Mental Health Services Center (Center), increasing the current contract amount of $4,886,293 by $500,000 for a total amount not-to-exceed (NTE) of $5,386,293.

FISCAL IMPACTS OF RECOMMENDATION
Funding for this contract amendment is available in the T1 Fund (511). The T1 allocation for this project is $1,500,000. The overall project budget will not increase.
No other funding is required and no other projects will be delayed due to this expenditure.

Original Contract (NTE).......................................................... $4,886,293
This Amendment ................................................................. $500,000
Amended Contract Amount (NTE) ........................................ $5,386,293

This contract amendment has been assigned CMS No. GPKU7.

CURRENT SITUATION AND ITS EFFECTS
Prior to construction, the design team conducted extensive due-diligence activities to assess the condition of the Center. Available construction drawings and documentation of the existing building were reviewed. In addition, engineering investigations were conducted to evaluate the facility’s structural system, the building foundation and underlying soils, and presence of hazardous material. However, despite these efforts, this project is experiencing more unforeseen conditions than initially estimated. The extent of which only became apparent when B Bros Construction, Inc. commenced with the renovation of the Center on April 4, 2019. This is largely due to the size and age of the facility which experienced a number of poorly documented building additions spanning over decades.
A list of the major unforeseen conditions, revealed to date include:

- Discovery of excessive amounts of asbestos and lead, requiring adequate disposal. Asbestos removal is very labor intensive and expensive.

- Missing concrete foundation footings. Some areas of the building were previously constructed without footings or inadequate footings, increasing the risk of failure during an earthquake.

- Discovery of an unknown, asbestos contaminated room, containing an old boiler system. The remediation of this room was complicated by having limited access through the crawl space. The existence of this room was not shown on any record drawings.

- Demolition of an existing oversized security safe, embedded in a large amount of concrete. The extent of concrete removal only became apparent during construction.

- The structural system was significantly different from existing record drawings, requiring additional design and framing of walls and ceilings.

Although the contract includes a contingency of $737,343 (15%), $455,953 of this amount has already been encumbered. Yet, the construction phase for this project is estimated to be only around 30% complete.

Due to the history, size, and complexity of this facility project and considering that it is still within the earlier stages of construction, additional unforeseen conditions are expected. Potential future change orders include but are not limited to further asbestos and lead removal, crawl space improvements in the basement, additional structural deficiencies, roof drain and perimeter drainage improvements, and City requested improvements.

This amendment, if approved, will supplement the current contingency amount and only be used as needed to address improvements or unforeseen conditions for the completion of this project.

The provided services will support the Strategic Plan goals of creating a resilient, safe, connected, and prepared city and providing state-of-the-art, well-maintained facilities

**BACKGROUND**

The City of Berkeley Mental Health Services Center provides invaluable mental health and related social services to Berkeley and Albany community members and their families living with serious and persistent mental illness. Program efforts include case management and support services, coordination and consultation with other agencies and groups, providing linkages and referrals to community resources, assessments and crisis response. Some of the work of Mental Health staff is conducted in the field when staff meets clients in the community for service provision. There have been significant
problems with the Center for many years. The building did not have a layout conducive to a welcoming environment for consumers, nor was it properly configured for safety. In 2015 and 2016, these long standing issues were exacerbated by additional issues including air quality problems, water intrusion, and an ongoing infestation of vermin, raccoons, and rodents. Although the building had many treatments, the problems were ultimately deemed so systemic that the building was closed in June 2016, pending the long planned major rehabilitation.

The current rehabilitation work being performed is significant and will provide interior and exterior improvements, roof improvements, new mechanical and electrical systems, net zero energy efficient equipment, and a building layout conducive to client and staff needs. The project will result in a welcoming, inviting, clean, durable, energy efficient, and secure facility that will be used to help seriously mentally ill residents in Berkeley and Albany to live better lives.

It will also provide comprehensive services that maintain personal and community stability, supporting over 350 adults with ongoing clinical case management services per year.

ENVIRONMENTAL SUSTAINABILITY
A goal of the new mental health facility is to incorporate as many net zero energy facility improvements as is feasible. A net zero energy facility has a positive environmental impact and has economic advantages over the long-term. Some net-zero features in this project include solar panels, heat pumps, and low flow fixtures.

RATIONALE FOR RECOMMENDATION
The additional funding is necessary for the completion of a code compliant and secure mental health facility. The seriously mentally ill adult clients of Berkeley and Albany deserve a dedicated and functional clinic from which to receive care.

ALTERNATIVE ACTIONS CONSIDERED
None.

CONTACT PERSON
Andrew Brozyna, Deputy Director, Public Works, (510) 981-6396
Elmar Kapfer, Supervising Civil Engineer, Public Works, (510) 981-6435

Attachments:
1: Resolution
RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 31900124 AMENDMENT: B BROS CONSTRUCTION INC. FOR ADULT MENTAL HEALTH SERVICES CENTER RENOVATIONS PROJECT AT 2640 MARTIN LUTHER KING JR WAY

WHEREAS, the project consists of interior and exterior renovations and seismic upgrade of the Adult Mental Health Services Center; and

WHEREAS, The City has neither the labor nor the equipment necessary to undertake this renovation and seismic upgrade project; and

WHEREAS, an invitation for bids (Plans and Specifications No. 19-11267-C) was duly advertised, and B-Bros Construction Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, Resolution No. 68,752-N.S. authorized the City Manager to execute a contract and any amendments, extensions or change orders, until completion of the project in accordance with the approved plans and specifications with B-Bros Construction Inc. for the Mental Health Services Center Renovation Project at 2640 Martin Luther King, Jr Way, in an amount not to exceed $4,886,293; and

WHEREAS, due to unforeseen conditions and City requested improvements an increase of $500,000 to the not to exceed amount is required for the complete renovation and seismic upgrade work; and

WHEREAS, funds are available in the $1,500,000 T1 Fund (511), allocated to the project.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 31900124 with B Bros Construction, Inc. for renovation and seismic upgrade work at the Adult Mental Health Services Center increasing the current contract amount of $4,886,293 by $500,000 for a total contract amount not to exceed $5,386,293.