



City Council Report

City Council Regular Meeting: July 28, 2015

Agenda Item: 3-J

To: Mayor and City Council
From: Martin Pastucha, Director, Public Works, Architecture Services
Subject: Professional Services Agreement for Concept Design and Feasibility Analysis for the City Yards Stage I

Recommended Action

Staff recommends that the City Council:

1. Award Bid SP#2396 to Hathaway Dinwiddie Construction Company, a California-based company, for concept design, cost estimation services, and feasibility analysis for the City Yards Stage I.
2. Authorize the City Manager to negotiate and execute a professional services agreement with Hathaway Dinwiddie Construction Company in an amount not to exceed \$387,200 (includes a 10% contingency). This agreement would be the first of three phases in the design-build delivery method, with the final phases being executed under a design-build contract and contingent upon future Council approval.
3. Authorize the Director of Public Works to issue any necessary modifications to complete the work within budget authority.

Executive Summary

On January 27, 2015, Council authorized staff to seek bids for a design-build team for the initial phases of the City Yards Master Plan. This agreement would constitute the first of a three-phase design-build agreement. The first phase would include concept design, cost estimation services, and feasibility analysis. The functional needs and space required are no longer met by the facilities for any of the operations housed at the City Yards, nor do the facilities meet current federal, state and/or local requirements. Deficiencies include: maintenance shop space; vehicle hoists, covered maintenance area for heavy duty vehicles; employee restroom/locker facilities, parking for City, employee, and visitor vehicles, storage; traffic circulation within and around the City Yards for city vehicles, and customer service facilities to adequately serve members of the public at the various City Yard offices.

In addition, a private recycling facility utilizes a substantial portion of the site and will be relocated to provide required space. The City Yard has been operating with these deficiencies for decades, and this concept and feasibility analysis will result in the methodology, initial design, and cost for moving forward with the most urgent first

phases of the City Yards Master Plan. Staff recommends Hathaway Dinwiddie Construction with Miller Hull Partnership as the best bidder to provide these phase one services for the City Yards Stage I in an amount not to exceed \$387,200.

Background

The City Yards is a 14.7-acre site owned and operated by the City of Santa Monica and located at 2500 Michigan Avenue, near the intersection of 24th Street and Michigan Avenue. The City took ownership of the site in the late 1940s. The property has been used as a base for the City's maintenance operations, storage facilities, and other industrial uses. Currently, a majority of the City's field maintenance operations are located at the City Yards spread out across the site in 16 buildings and structures of various ages and conditions. These operations include:

- Facilities Maintenance
- Custodial Services
- Street Maintenance
- Fleet Maintenance
- Traffic Operations
- Resource Recovery and Recycling
- Water and Wastewater Operations
- Hazardous Waste Storage (City usage only)
- Fire Department Training Area

Operations and uses for the City Yards were adapted as-needed for various City functions, resulting in an expedient but inefficient utilization of space. Changing populations, growth, updates in technology, and differing service requirements resulted in a series of haphazard updates throughout the site. Today, the City Yards operates seven days a week and houses more functions and employees than it was designed to accommodate. The scope and breadth of the operating divisions has evolved over time. Functional needs and space are no longer met by the facilities for any of the operations housed at the City Yards. Deficiencies include: maintenance shop space; vehicle hoists, covered maintenance area for heavy duty vehicles; employee restroom/locker facilities, parking for City, employee, and visitor vehicles, storage; traffic circulation within and

around the City Yards for city vehicles, and customer service facilities to adequately serve members of the public at the various City Yards offices. In addition, a private recycling facility of rudimentary design utilizes a substantial portion of the site and will be relocated.

The City Yards has been designated by the City as an "Essential Services Facility," and therefore must remain operational after a major earthquake event as the Department Operations Center for Public Works first responders. This designation adds constraints on the design and raises greater concerns regarding the condition of these aging structures.

To address these problems, on October 8, 1996 (attachment A), Council authorized a Professional Services Agreement with RNL Interplan, Inc. (RNL) for consulting services to prepare a Master Plan for the City Yards that would address the physical reorganization, renovation and rehabilitation needs of the City Yards. On October 24, 2000 (attachment B), Council approved the two proposed City Yards Master Plan alternatives in concept. One concept included the continued operation of a City designed and constructed transfer station, while the second concept assumed contracted transfer station services with a third-party provider.

On November 12, 2002 (attachment C), Council awarded a new professional services agreement with RNL for architectural and engineering services for the City Yards expansion project. Also on November 12, 2002, Council directed staff to proceed with the design of a new municipal transfer station. On December 10, 2002 (attachment D), Council approved only a limited schematic design for a new transfer station.

The City Yards Master Plan continued to evolve. On January 20, 2004 (attachment E), Council directed staff to explore different approaches for updating the transfer station located at the City Yards including a public-private partnership and reconstruction of the transfer station. On June 28, 2005 (attachment F), Council authorized the formation of an Ad Hoc Committee consisting of Council Members Ken Genser and Herb Katz to

participate with staff in the identification and analysis of a range of solid waste management options for Council's consideration. On October 25, 2005 (attachment G), Council authorized a contract with Gershman, Brickner & Bratton, Inc. (GBB) to assist staff with this effort. On March 14, 2006 (attachment H), GBB presented the results of the evaluation of Solid Waste operations to Council.

On May 22, 2008 (attachment I), Council conceptually approved the partnership with Southern California Disposal (SCD) and Allan Company. Under this partnership, SCD would provide transfer services and Allan would provide recycling services in the area of the City Yards currently occupied by the City's Transfer Station, the current Allan site, the Hanson Aggregate site and SCD land. On November 25, 2008 (attachment J), Council approved service agreements with SCD and Allan Company. On December 6, 2011 (attachment K), Council approved staff's recommendation to cancel the design and construction of the Resource Recovery Center and the Self-Haul Facility at the City Yards due to costly construction estimates, rate impacts and operational issues, and directed staff to develop a new materials processing plan in conjunction with Allan Company and Southern California Disposal.

On October 13, 2009 (attachment L), Council authorized a professional services agreement with RNL to update the City Yards Master Plan approved in 2002. The update was substantially completed in July 2010 (Exhibit 2); however, the plan was not presented to Council due to additional required updates addressed through four subsequent modifications on September 13, 2011, February 14, 2012, September 11, 2012 and June 25, 2013.

On September 13, 2011 (attachment M), Council approved a first modification to complete the City Yards Master Plan with additional scope to include revisions to the configuration of the plan area, finalizing a program for the new components, and identifying and adding additional operations on the site:

- The Resource Recovery Center site located at the City Yards would become available once the Resource Recovery and Recycling operation was moved off site. The inclusion of this area would allow for additional programming

components.

- The planned relocation of the Santa Monica Fire Department's training center within the City Yard and the addition of the public safety storage facility into the City Yards program.

On February 14, 2012 (attachment N), Council approved a second modification to conduct a study, focusing on the best and most practical approach to build on the areas above the landfill. The scope of work included performing additional borings to the site and analysis of three possible approaches:

- Utilize structural slabs on piles at the buildings and vehicular circulation areas
- Remove the landfill and import engineered fill
- Amend the landfill to stabilize the area for construction and circulation

On September 11, 2012 (attachment O), Council approved a third modification to conduct further assessment of the landfill outside the boundary of the City Yards site. Previous geotechnical studies were limited to the City Yards site. Additional geotechnical borings were completed in the adjacent Stewart Park to provide details on the extent and depth of the fill that was previously insufficiently documented.

On June 25, 2013 (attachment P), Council approved a fourth modification to facilitate a phased approach to construction to accommodate budget constraints by breaking the reconfiguration of the City Yards site into smaller increments that would be completed over time as funding becomes available.

On January 27, 2015 (attachment Q), Council approved the Master Plan in concept and authorized staff to issue a request for bids for a design-build team for the initial phases of the City Yards Master Plan and prepare a financing plan for the initial phases of the City Yards Master Plan.

Discussion

The City Yards have housed the staff and shop resources for the majority of the City's infrastructure maintenance; from street resurfacing and repair to water and sewer line maintenance; from the maintenance/fueling of police vehicles and trash trucks to the

locker rooms for the custodians of our city buildings including libraries, the Public Safety Facilities and City Hall; from the shops for our carpenters and plumbers to the training area for our firefighters. These functions are heavily relied upon by our community and efficiencies and effectiveness are compromised by inadequate space, dangerous traffic circulation, substandard electrical systems, and dated equipment and technology.

The unsafe circulation condition is created by the confluence of large city vehicles, the adjacent Southern California Disposal operation, and members of the public coming to both the City Yards and the adjacent Bergamot Art Center. For the safety of both staff and the public, and for the improvement of facilities necessary for the continuation of the high level of City services that residents and businesses have come to expect, this concept design, cost estimate and feasibility analysis provides the first step toward the design and construction of the initial phases.

On April 16, 2015, a Request for Bids (RFB) was issued for the selection of a design build team to provide concept design, cost estimating services, and feasibility analysis for the City Yards Stage I. The RFB was posted on the City's online bidding website and in the Santa Monica Daily Press in accordance with the City Charter and Municipal Code provisions. A total of 26 individuals attended the pre-bid job walk held on April 28, 2015. On January 14, 2014, bids from seven design build teams were received and publicly opened. The bid results are attached in Attachment R.

Representatives from the Architecture Services and Facilities Maintenance Division formed an evaluation committee and evaluated bids based on demonstration of the published criteria including:

- Ability, capacity and skills of the proposed team.
- Quality of the design, technical and management services offered.
- Demonstrated ability of the proposed team and members to successfully create similar facilities.
- Team cohesiveness as proven by working relationships and previous successful mutual projects.

- Ability and methodology to successfully design and construct to a given design program within budget and time constraints.
- Capacity of the team to provide the services promptly and without delay or interference.
- Character, integrity, reputation, good judgment, training, experience and efficiency of the team.
- Commitment to sustainable building.
- Availability of lead firm and design build team.
- Sufficiency of the team's financial resources.
- Fee and fee percentage.

The evaluation committee shortlisted three teams: Hathaway Dinwiddie Construction with Miller Hull Partnership, Taslimi Construction with HLW and Studio Jentzen, and Clark Construction with RNL Interplan. On June 9, 2015, the evaluation committee interviewed these three teams. The evaluation committee focused on the ability, capacity and skills of the proposed team, commitment to sustainability and the best fit for the City Yards Stage I. Based on the evaluation criteria and the shortlist interviews, the committee recommends the team of Hathaway Dinwiddie Construction Company with Miller Hull Partnership as the best bidder.

Bids were evaluated on the published criteria. The selected team scored particularly high on the quality of the design, technical and management services offered; the demonstrated ability of the proposed team to successfully create similar facilities; and exceptional commitment and achievement in sustainable building. To put the fees into context, the Phase I fee is a lump sum for the feasibility, concept design and cost estimates. Phase II is a fixed percentage mark up for the design phase only. A design guaranteed maximum price of \$2.5 million was assumed to evaluate this number (Attachment A). Phase III is a fixed percentage mark up for the construction phase only and a construction guaranteed maximum price of \$25 million was assumed (Attachment A). These assumptions allow comparison of probable fee differentials over all three phases. The recommended team of Hathaway Dinwiddie Construction with Miller Hull Partnership submitted a bid estimated at approximately \$42,000 over the lowest bid - a

difference representing less than 0.18% of the total project cost of approximately \$25 million. Hathaway Dinwiddie Construction also has the lowest Phase III percentage mark up of 2.95% on the construction cost, which could ultimately be the most significant factor if the construction cost escalates.

Hathaway Dinwiddie Construction Company is a 104 year-old firm based in California. A sample of government clients include: General Services Administration, County of Santa Clara, and Elihu M. Harris State Office Building in Oakland. The firm has extensive construction experience with academic and private sector clients including: buildings for the University of Southern California, University of California Irvine, California Institute of Technology, Stanford University, and Emerson College Los Angeles Campus. Hathaway Dinwiddie corporate clients include Disney Corporate Real Estate, Agensys Inc., Pixar Animation Studios, Tishman Speyer Properties, Kilroy Realty, Irvine Company, Wilkes Bashford, and Amgen, Inc. In addition to an extensive list of corporate and academic clients, the firm has constructed iconic buildings including the Getty Center, the original Getty Villa as well as the Transamerica Pyramid and Grace Cathedral in San Francisco. Hathaway Dinwiddie Construction Company is currently contracted by the City for the design and construction of the City Services Building.

Miller Hull Partnership has created sustainable modern structures that are based on simple, innovative and authentic designs. Since its inception in 1977 the firm has received over 200 design awards and has been published in numerous national and foreign design journals. The firm has worked on projects such as the Seattle Public Utilities South Transfer Station, the San Ysidro Land Port of Entry and the Cascadia Center for Sustainable Design and Construction (Bullitt Building).

The team of Hathaway Dinwiddie with Miller Hull Partnership has the most qualified team members and the experience with similar types of projects in addition to competitive fees for the project. The proposed team's staff members have very strong backgrounds and experience utilizing the design-build approach, creating sustainable

architecture and design as well as creating highly innovative, sustainable, and humane industrial building environments. This proposed team has the background and experience to facilitate the design and construction of the first stage of the City Yards project and would create synergy and efficiency for both the staff and the public works functions.

Upon Council authorization of this agreement, Hathaway Dinwiddie Construction Company and Miller Hull Partnership would conduct a feasibility analysis of the proposed site and concept design services, building upon the master plan. The team would recommend strategies for implementing construction in conjunction with the concept designs. This is a phased agreement. Staff would return to Council at the conclusion of the Phase I feasibility analysis and concept design for direction and authorization to continue to Phase II for design services. The project cost would be modified by two guaranteed maximum prices: one for the design services (Phase II) and a second guaranteed maximum price for construction (Phase III) with Council approval and authorization at each phase.

Next Steps

Upon Council approval of the recommended design build team, staff anticipates the following next steps:

- Return to Council with a presentation of the feasibility analysis, concept design and cost estimates and recommendation of a financing strategy (winter 2016).
- With additional Council approval, staff would negotiate contract terms and a guaranteed maximum price (GMP) for design costs for architectural and engineering design services with the design build team (summer 2016).
- Phase II of the project for design services would begin after Council approval of the GMP for design costs. During the design services phase, staff would return to Council to present designs, cost estimates, and financing strategies.
- Staff would return to Council for approval of the GMP for construction and permitting (Phase III).

Financial Impacts and Budget Actions

The agreement to be awarded to Hathaway Dinwiddie Construction Company is for an amount not to exceed \$387,200 (includes a 10% contingency). Funds are available in the FY 2015-16 Capital Improvement Program budget in account C014028.589000 (City Yards Master Plan Phases 1a through 2b). Future construction costs for this project would be funded using existing City resources.

Prepared By: Tom Afschar, Architect

Approved

Forwarded to Council



Martin Pastucha, Director

7/21/2015



Elaine M Polachek, Asst. City Manager

7/21/2015

Attachments:

- A. October 8, 1996 Staff Report (web link)
- B. October 24, 2000 Staff Report (web link)
- C. November 12, 2002 Staff Report (web link)
- D. December 10, 2002 Staff Report (web link)
- E. January 20, 2004 Staff Report (web link)
- F. June 28, 2008 Staff Report (web link)
- G. October 25, 2005 Staff Report (web link)
- H. March 14, 2006 Staff Report (web link)
- I. May 22, 2008 Staff Report (web link)
- J. November 25, 2008 Staff report (web link)
- K. December 6, 2011 Staff Report (web ink)
- L. October 13, 2009 Staff Report (web link)
- M. September 13, 2011 Staff Report (web link)
- N. February 14, 2014 Staff Report (web link)
- O. September 11, 2012 Staff Report (web link)

- P. June 25, 2013 Staff Report (web link)
- Q. January 27, 2015 Staff Report (web link)
- R. Bid #SP2396 Results - City Yards Stage I (PDF)

D/B Bidder Team		USS Cal Builders	Hathaway Dinwiddie	Clark Construction	Morley Construction Company	Taslimi Construction
Fee Proposal (BF 10.0)	Phase I. Feasibility Analysis (\$)	\$450,000	\$352,000	\$1,091,600	\$357,450	\$150,000
	Phase II. Design- Construction Documents (%)	8.0%	3.95%	4.50%	10.00%	4.85%
	Phase III. Permitting & Construction (%)	10.0%	2.95%	5.50%	14.96%	3.5%
Fees from Proposal*	Construction Estimate used	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000
	Phase I. Fixed Fee	\$450,000	\$352,000	\$1,091,600	\$357,450	\$150,000
	Calculation w/ Phase III. Percentage* (using \$2.5M = 10% of \$25M est.)	\$200,000	\$98,750	\$112,500	\$250,000	\$121,250
	Calculation w/ Phase III. Percentage	\$2,500,000	\$737,500	\$1,375,000	\$3,740,000	\$875,000
	Estimated Sub Total Fees	\$3,150,000	\$1,188,250	\$2,579,100	\$4,347,450	\$1,146,250
	Difference to Lowest Bid	\$2,003,750	\$42,000	\$1,432,850	\$3,201,200	\$0