



STAFF REPORT

AGENDA NO: 9d

MEETING DATE: October 21, 2024

To: Honorable Mayor and City Council

Date: October 21, 2024

From: Margaret Glomstad, Parks and Recreation Director – (650) 558-7307
Kevin Okada, Senior Engineer – (650) 558-7213
Jeremy Kirshner, Assistant to the City Manager – (650) 558-7229

Subject: Adoption of Resolutions Awarding a \$6,674,000 Construction Contract to Azul Works, Inc. for the Town Square Project and Authorizing the City Manager to Execute the Contract and Negotiate and Execute Amendments Thereto, City Project No. 86120; Approving a \$400,000 Professional Services Agreement with Nickitas 7280 for Construction Management Services Related to the Project; and Approving a \$305,225 Amendment No. 2 to the Professional Services Agreement with SWA Group for Engineering and Design Support During Construction, for a Total Compensation of \$929,850

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolutions as follows:

- (1) Award a construction contract to Azul Works, Inc. for the Town Square Project, City Project No. 86120, in the amount of \$6,674,000, and authorize the City Manager to execute the contract and negotiate and execute amendments; and
- (2) Approve a professional services agreement with Nickitas 7280 in the amount of \$400,000 for the construction management services related to the project, and authorize the City Manager to execute the same.
- (3) Approve the 2nd Amendment to the Professional Services Agreement with SWA Group in the amount of \$305,225, for a total compensation of \$929,850, for the engineering and design support during construction, and authorize the City Manager to execute the same.

BACKGROUND

The City has designed a new Town Square on the City-owned Parking Lot E, which is located between Park Road and Lorton Avenue.

The design for the Town Square, which went through an extensive public engagement process, includes a grove of trees on the Lorton Avenue side of the Square, a series of terraces along the edge of the former Post Office building, outdoor seating along the rear of the neighboring Burlingame Avenue buildings, a green wall behind 238 Park Road, and a distinctive “water wall” oriented toward the grove. A public restroom and an equipment storage room will be incorporated into the water wall structure.

DISCUSSION

Construction Contract

The Town Square project includes the labor and materials involved with the demolition of the existing conditions; grading and drainage; installation of pavers; site work including paving, curbs, fencing, and gates; a new restroom structure; site furnishings; irrigation; planting; and other miscellaneous items as shown on the plans and in the specifications. There are also four Add Alternates and two Deduct Alternates.

The project was advertised on September 5, 2024. Bidders were instructed to bid a lump sum proposal for all the labor and materials required to complete the project. On October 3, 2024, the City received four bids for the project, with the base bid ranging in price from \$6,244,000 to \$9,100,000. The Engineer's estimate for the project is \$6,705,000. Azul Works, Inc. was the apparent low bidder.

The bids were competitive, and the lowest bid was \$461,000 less than the Engineer's estimate. Staff recommends awarding the base project in the amount of \$6,244,000, plus Add Alternates in the amount of \$430,000, for a total contract price of \$6,674,000, to Azul Works, Inc.

Bid Add Alternates		
1	Fountain Equipment within Fountain Equipment Room	\$180,000
2	Creek Flow Projector	\$200,000
3	Public Wi-Fi	\$25,000
4	Loose Furniture and Games (OFCI)	\$25,000
Bid Deduct Alternates		
1	Park Road Sidewalk Keeping Existing Curb Line	-\$115,306
2	Lorton Avenue Sidewalk Keeping Existing Curb Line	-\$62,900

The City Council approved the purchasing of pavers earlier this year via Resolution No. 141-2023, at a cost of \$234,709.03. Additionally, the City completed NEPA and CEQA review in August of 2024.

Professional Services Agreement for Construction Management

The consulting firm of Nickitas 7280 has been identified as the most qualified firm to provide construction management services on this project due to their extensive experience with similar projects and the preconstruction services performed to date to bid the project. Following a detailed negotiation, staff has agreed upon a scope of professional services with Nickitas 7280 for construction management and inspection, totaling \$400,000.

The professional services fee represents approximately 6% of the construction cost. The fee amount is consistent with industry standards for construction management and inspection services based on the scope and complexity of the project. The project construction is anticipated to begin in November 2024 and is expected to be completed by December 2025 assuming no construction delays.

Professional Services for Engineering and Design Support During Construction

The consulting firm SWA Group has been working with staff on the Town Square Project since conception including the construction documentation and bidding phase. They are the most qualified firm to provide engineering and design support during the next phase. SWA Group and staff have agreed upon the scope of professional services needed to complete the project, totaling \$305,225.

FISCAL IMPACT

The following are the project funding sources:

General Fund (approved 1/6/2020)	\$300,000
General Fund (approved 9/7/2021)	\$105,000
General Fund (in FY 22/23 CIP)	\$300,000
General Fund (approved 4/3/2023)	\$800,000
Developer Contribution (in FY 23/24 CIP)	\$2,000,000
HUD EDI Grant 2023 (Representative Speier)	\$750,000
AB 179 Grant (Assembly Member Mullin)	\$1,000,000
Impact Fees (General Facilities)	\$1,100,000
County Grant (Supervisor Pine)	\$500,000
Measure I	\$1,000,000
Impact Fees (Storm Drainage)	\$200,000
General Fund (In CIP FY 24/25)	\$3,700,000
TOTAL	\$11,755,000

The following are the estimated project expenditures:

Design Phase	\$640,934
Construction Documents	\$624,625
NEPA/CEQA	\$65,000
Legal Ads & Noticing	\$2,000
Pavers	\$234,710
City Purchased Site Furnishings/Amenities	\$400,000
Construction Contract	\$6,244,000
Add Alternatives	\$430,000
PGE	\$200,000
Permits	\$395,000
Construction Management & Inspection	\$400,000
Engineering & Design Support During Construction	\$305,225
Staff Time 2%	\$180,016
Construction Contingencies 15%	\$1,001,100
Construction Management & Inspection Contingencies 15%	\$60,000
Engineering & Design Support During Construction Contingencies 15%	\$45,000
TOTAL	\$11,227,610

Staff recommends approving all bid Add Alternates, 1-4 and no bid Deducts. As noted in the charts above, there are sufficient funds to cover the Town Square project costs.

Funding for the Town Square project includes a \$750,000 EDI grant, earmarked by Former Congresswoman Jackie Speier, from the US Department of Housing and Urban Development, with strict reporting requirements that the City must comply with to remain eligible to receive the funding.

Exhibits:

- Resolution Awarding Construction Contract with Azul Works, Inc.
- Construction Contract with Azul Works, Inc.
- Bid Summary
- Resolution Approving Professional Services Agreement with Nickitas 7280
- Professional Services Agreement with Nickitas 7280
- Resolution Approving the 2nd Amendment to the Professional Services Agreement with SWA Group
- 2nd Amendment to the Professional Services Agreement with SWA Group
- Conceptual Plan