



*City
Council
Report*

Item: 16
Category: NEW BUSINESS
Meeting Date: November 19, 2019

TITLE: Measure O - Civic Center Improvements Update and Request for Proposals Authorization for Design Consultant Services (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council receive an update on the Measure O - Civic Center Improvements; consider project related questions posed herein to provide feedback and direction; and adopt the resolution authorizing the issuance of a Request for Proposals (RFP) for design consultant services.

BACKGROUND

Since 2014, City staff, the project Core Team, and consultants have developed and evaluated various improvement options for the Civic Center Master Plan (CCMP) to incorporate the program and space needs for City Hall, the Police Department, the Campbell Library, the Veterans Memorial, the Historical Museum, the Civic Center complex, and the parking lots. The phased improvement options in the CCMP to address the comprehensive program needs were estimated to cost anywhere from \$151 million to \$164 million. Due to high costs of the overall CCMP, the Civic Center Improvements project scope was established to focus more on police emergency operations, 911 dispatch center, and the City of Campbell Library operated by the Santa Clara County Library District (SCCLD). On July 17, 2018, the City Council passed Resolution No. 12345 (**Attachment 2**) authorizing the placement of a \$50,000,000 general obligation (GO) bond measure, referred to as Measure O, on the November 6, 2018 general elections ballot to fund the Civic Center Improvements. This bond measure required a two-thirds support vote (66.7%) for approval and Campbell voters approved it by 69.5%.

The Measure O ballot statement reads as follows:

“To provide a police emergency operations center that is fully operational during a disaster and an innovative library in seismically safe, accessible, and energy-efficient facilities meeting current safety codes, shall the City of Campbell’s measure to issue \$50,000,000 in general obligation bonds with projected levies of \$0.019 per \$100 (\$19 per \$100,000) of assessed value, generating an estimated average of \$3,025,000 annually to repay

bonds through maturity, with citizen oversight and all funds spent locally, be adopted”

The Council Resolution No. 12345 further elaborates that objectives of the Measure O program includes a new police operations building and potential renovation of the existing police facility for other City purposes if feasible.

DISCUSSION

With the passing of Measure O, the City Council approved a new limited-duration Senior Project Manager position for the Civic Center Improvements in the Fiscal Year (FY) 2019-20 Operating Budget to be funded through bond sale proceeds. Through the City’s competitive recruitment process, a well-qualified candidate with extensive experience in managing and delivering civic, library, and essential services facility projects was selected for the position and onboarded on August 14, 2019.

Staff has since started discussions with the Campbell Police Department (CPD) to update the program and space needs; reviewed feasibility study (prepared by the SCCLD) of retaining Library services at the current site; conducted comparative studies of similar municipal library facilities and police buildings in California; developed general timelines, budget plan, and options for the project delivery; and drafted the RFP for design consultant services for Measure O – Civic Center Improvements. From the information gathered and with directions from the City Council, staff will further develop the project approach and revise the project scope of services outlined in the RFP to hire a qualified design consultant to start conceptual designs for the Civic Center Improvements.

Program and Space Needs:

A program and space needs assessment for CPD and Emergency Operations Center (EOC) was conducted in 2014 as part of the CCMP effort. The needs assessment discovered that a total gross floor area of 23,692 square feet was needed for the CPD and an EOC (without any space reduction due to costs). Since the assessment data is five years old, staff will explore updating the assessment with current information and any projected future space needs.

Per the Essential Services Buildings Seismic Safety Act of 1986 and the California Health and Safety Code, police and EOC operations are to be housed in essential services buildings capable of withstanding a major seismic event and remain functional for public safety operations. Essential services facilities are subject to higher seismic design load factors per the California Building Code, which equates to higher construction costs compared to non-essential services buildings designed to conventional Fire and Life Safety Standards.

For the Campbell Library, the SCCLD commissioned a feasibility study in 2019 to explore how the library programming needs can be accommodated at the existing

library facility (**Attachment 3**). The study determined that the programming needs can be accommodated by slightly increasing the total footprint of the existing library from 25,045 square feet to 26,420 square feet. Working with SCCLD and library stakeholders, staff will further evaluate the renovation proposed in the feasibility study, and if directed by the City Council, staff will investigate other optimal library options for the Measure O program. SCCLD's feasibility study determined that the Library program can be accommodated at the current facility. SCCLD management staff as well as the Friends of Campbell Library have indicated support for keeping the library at the current location.

Staff is seeking input and direction from the City Council on whether or not an alternate site(s) should be investigated to house the library. With Council direction, staff can investigate various buildings and/or locations at the Campbell Community Center as potential alternate options. The Draft RFP for Design Consultant Services (**Attachment 4**) can be modified to include a feasibility study similar to the one that SCCLD has commissioned for the current library site. At the Community Center, parking and circulation would also need to be studied as well since the Campbell Library lease agreement with SCCLD stipulates 34,000 square feet of vehicle parking area specifically for the library program. It is estimated that a feasibility study would take approximately two to three months to complete once a design consultant is brought on board. If it is determined that the library programming can be moved to an alternate site, the current Campbell Library location could be considered as a potential site option for the new police operations building or other purposes.

As a related project consideration, the Campbell Library lease agreement term between the City and SCCLD took effect in 1975 with a maximum 55-year lease. Staff will work with SCCLD to negotiate extended lease terms and confirm SCCLD's funding commitment to the library project for the furniture, fixtures, and equipment (FF&E), which is typically defined as items not built into the structure. For the Library, this would include shelving, sorting equipment, office furniture, and computer equipment.

Comparative Studies:

Staff has researched recent police building and library facility improvement projects in progress or completed at other municipalities to gather benchmark cost information. The cost data summarized in tables accounts for construction, design, and other project management and administrative costs:

Police Building Projects:

Jurisdiction	Scope	Floor Area	Total Cost	Unit Cost	Phase
City of Dublin	New Dublin Public Safety Complex	24,837 SF	\$21.5M	\$866/SF	Anticipate completion by fall 2019
City of Salinas	New Police Services Center; 44,352 SF	69,230 SF	\$56M	\$809/SF	Anticipate completion by early 2020

Jurisdiction	Scope	Floor Area	Total Cost	Unit Cost	Phase
	headquarters; 24,878 SF support bldg.				
City of Palo Alto	<u>New</u> Public Safety Building; 3-story (45,000 SF) and 2-level basement for parking (30,000 SF)	75,000 SF	\$106M (in 2021\$)	\$1,413/SF (in 2021\$)	Anticipate Construction in fall 2020
City of South San Francisco	<u>New</u> South San Francisco police station	45,000 SF	\$54M	\$1,200/SF	In Planning Phase
City of Claremont	<u>New</u> police facility proposed	26,000 SF	\$25M (in 2020\$)	\$962/SF (in 2020\$)	In Planning Phase

Library Projects:

Jurisdiction	Scope	Floor Area	Total Cost	Unit Cost	Phase
City of Half Moon Bay	<u>New</u> library, LEED Gold, Net Zero Energy	22,000 SF	\$25M	\$1,136/Sf	Completed in 2018
City of San Diego	<u>New</u> Mission Hills Branch Library, LEED Gold, Design-Build	15,000 SF	\$21.2M	\$1,413/SF	Construction completed January 2019
City of Brisbane	<u>New</u> library	7,629 SF	\$9M	\$1,180/SF	Anticipate completion by fall 2019
Town of Atherton	<u>New</u> library	10,235 SF	\$12.7M	\$1,241/SF	Construction started in March 2019
San Francisco	<u>New</u> North Beach Library, two-story, no parking	8,500 SF	\$14.5M	\$1,706/SF	Construction completed May 2014
San Francisco	Ocean View Branch Library <u>Renovation</u>	6,450 SF	\$10.5M (in 2021\$)	\$1,628/SF (in 2021\$)	In Design Phase
San Francisco	Mission Branch Library <u>Renovation</u>	16,000 SF	\$29.8M (in 2021\$)	\$1,863/SF (in 2021\$)	In Design Phase

Public agencies in the Comparative Studies budgeted or plan to budget \$809 to \$1,413 per square foot for new police buildings and \$1,136 to \$1,706 per square foot for new libraries. Renovation costs for Ocean View Branch and Mission Branch libraries in San Francisco may not be good benchmark data due to exceptionally high constraints and costs of construction in the metropolitan city. Renovation building costs were not as readily available. Additionally, it should be noted that these cost comparisons are

based on overall project information and do not recognize unique features of any one project such as technology or LEED building standards.

The consultant for the 2019 SCCLD Campbell Library feasibility study estimated a cost of \$23,508,583 to renovate the library and increase the footprint to 26,420 SF (\$890/SF in 2021 dollars), and \$29,062,000 for a new library building (\$1,100/SF in 2021 dollars). While these costs may need re-evaluation by staff, it should be noted that these estimates excluded design, temporary relocation, and other project management and administrative costs, which can account for more than 25% of the construction cost.

Grouping of Police and Library Projects:

An important project approach consideration for the Civic Center Improvements is whether to group the CPD and Campbell Library facilities as one project or to bifurcate them into two separate projects. If grouped as one, one design team and one contractor can work on both police and library projects under the overall Measure O funding. If the projects are bifurcated, separate design and construction contracts for each building projects are required with budget expectations established for each project. Here are some potential benefits of separating and grouping the police and library projects:

Benefits of Bifurcating Projects:

- Each design team can focus on meeting specific program needs for police and library within budgets established.
- Larger pool of design firms with expertise in either library or police building projects, versus having expertise in both.
- Design challenges on one facility may not lead to delays on the other.
- Projects can proceed at their own "pace".

Benefits of Grouping Projects:

- Better collaboration and coordination between police and library project design teams.
- Design team can investigate solutions that collectively satisfy overall Measure O goals (as a hypothetical example - evaluating a one building approach to house both police and library programs).
- Efficiency in project management, contract administration, and project meetings.
- Overhead cost savings (e.g. insurance, office costs, mobilization, equipment, etc.) for having one design and one construction team.
- Construction can occur simultaneously under one contractor.
- Alternate Design-Build project delivery method is viable due to a larger scale of the combined project. Note that the Design-Build method is not ideal for renovation only or smaller scale projects.

Bifurcated CPD and Campbell Library projects may be able to run parallel, and construction can occur simultaneously if two construction sites are not in close proximity to each other. If in close proximity, staging areas, ingress/egress, logistics, construction

trailer locations, and other temporary facilities in the Civic Center Complex for two general contractors may create conflicts and challenges. Also, with contracts bifurcated for police and library projects, any site layout changes and cost overruns for one project could impact the other requiring design and contractual amendments to both.

Staff currently drafted the design consultant services RFP in a manner that the City has options to award single or two separate design contracts for police and library design services pending qualifications and expertise of the proposing consultants and as directed by the City Council. If the Council provide specific directions on the November 19 meeting, staff can make necessary modifications to the RFP before issuance.

Project Delivery Methods:

Design-Bid-Build (DBB) project delivery method is the traditional process that capital improvement projects are delivered. With DBB, the owner of the capital asset and improvements contracts with a designer to complete 100% design documents before soliciting bids from contractors to award a construction contract based on low-bid. The owner has consistent oversight and control during the design process and the final product is defined and set before committing to a construction contract. Key challenges for DBB projects include cost control and managing conflicts. Designers for DBB may not have access to real-time construction market cost information making cost estimation a challenge during the design phase. Furthermore, DBB construction contracts are awarded to low bidders who often seek higher profit margins through costly change orders and claims, which impact both the budget and schedule. Since the designer and the contractor are independent entities with separate contracts, project conflicts often result in adversary situations to shift blames and liabilities. The owner acts as the mediator to resolve conflicts between design and construction entities and is often the most impacted party from increased costs and schedule delays.

The alternate project delivery method is Design-Build (DB). Under DB, the owner hires a consultant to prepare “bridging documents” or “performance specifications” which may include concept design plans and parameters defining/reflecting requirements for programming, space needs, building materials, size, quantity, quality, costs, schedule, and other provisions required to solicit bids from pre-qualified DB entities. The owner then contracts with a single DB entity to finalize the design and construct under one contract bearing a single point of responsibilities. A single entity is held accountable for the final design and construction; hence, there is a high-level of collaboration between design and construction disciplines and trades. The DB entity is often a joint venture between a general contractor and a design firm, and they provide unified project design and recommendations based on owner’s needs, expectations, budget, and schedule as specified in bridging documents. Per the Public Contract Code, awarding DB contracts can either be based on low-bid or best value.

Project owners may be cautious of using the DB method since the responsibility of the design shifts to the builder who can at times cut corners and compromise quality. This is a valid concern, hence DB entities are prequalified and often selected based on the best

value and qualifications. The owner can attempt to control the design process similar to the DBB process by specifying that in the bridging documents in addition to expectations of quality, design guidelines, materials, and details of key components. However, certain professional leeway should be granted to the DB entity for the process to function as intended, which is to shift more responsibility to the builder including for the design. Also, it may be advisable to bring on a reputable construction management (CM) firm early in the design phase to assist the City with the review of details and final designs proposed by the DB entity as a vital quality control measure.

Here is a summary of benefits and challenges for the DB project delivery method:

Benefits of using DB:

- Better cost controls to keep projects within funding limits.
- Single point of responsibility and liabilities for the City to manage.
- DBB traditionally follows the sequence of completion of design, bid, award, and construct. DB process is more flexibility where design and construction phases can overlap since controlled by a single entity.
- A single entity for design and construction services eliminates conflicts that often arise between designer and the builder. Design and construction disciplines are obligated to work together to address project needs.
- Attract contractors of different caliber that may not normally bid on low-bid public projects.

Challenges of using DB:

- Control of the final design shifts more to the DB entity.
- Performance and quality requirements for design can be loosely interpreted by a DB entity.
- Not an ideal project delivery method for renovation only project due to various unknown existing conditions.
- DB entities typically seek larger scale projects for the economy of scale and profit margins.
- A new design-build contract template needed for the City.

According to Design-Build Institute of America (“DBIA”), more than half of nation’s construction projects are now delivered through DB method. In April 2019, the City of Newark awarded one DB contract for \$72,321,027 to construct all new library, police, and city administration buildings. In September 2019, the DB entity for Newark started sitework construction while the final building design is still in progress.

DBB has been the traditional project delivery method for the City. Staff is seeking feedback and direction from the City Council on employing the DB project delivery method for the Civic Center Improvements, if the police and library building projects are grouped as one. According to DBIA, utilization of DB project delivery method has not been historically common for smaller size projects (less than \$25 million), although the trend is changing. The DB method is also not best suited for renovation alone projects.

Request for Proposals for Design Services:

Staff recommends hiring a qualified design consultant (or consultants depending on the Council's direction on the bifurcation of projects) as one of the first steps for Civic Center Improvements to confirm program and space needs, investigate alternate sites as necessary, and develop conceptual plans and options. Staff has drafted the design services RFP included in **Attachment 4** for the City Council's consideration and feedback. With the approval of the City Council Resolution in **Attachment 1**, staff would be authorized to issue the RFP with modifications as directed by the Council. Staff could return to the City Council in March 2020 to request approval of the design consultant selection and consultant services agreement. If Council provides direction to staff to modify the RFP and would like to review the revised document prior to issuing it, staff could bring a revised draft to Council as early as the January 21, 2020 Council meeting.

Staff has drafted the design services RFP for the consultant to initially complete up to the Schematic (30%) Design phase. The consultant services contract(s) amount for Schematic (30%) Design is expected to be approximately \$1,500,000. Once the Schematic Design is approved by the City, the consultant shall either develop bridging documents to solicit proposals from DB entities or prepare 100% construction documents to obtain construction bids for DBB depending on the Council's direction on the project delivery method.

For the issuance of design services RFP, it is best to specify the project delivery method upfront to attract the right pool of consultants with matching expertise and experience. However, the current RFP is drafted in a manner that the City can decide on the delivery method before the completion of the Schematic Design phase.

Project Timeline:

Once the design consultant(s) is(are) hired, programs and space needs for the police and library shall be confirmed and finalized. Consultant(s) shall then prepare at least three concept design options for the City's review. Preferred options for the police and library buildings will further be developed to Schematic (30%) Design. For DBB project delivery method, the design will be developed to 100% construction documents for construction bid solicitations. For DB, bridging documents shall be developed from the approved Schematic Design to start the onboarding process for a DB entity. Below are anticipated project timelines for the Civic Center Improvements:

Milestones	Anticipated Completion
Hire Design Consultant	March 2020
Confirm Program and Space Needs	June 2020
Concept Design	October 2020
Schematic (30%) Design & Entitlements	January 2021
<i><u>Design-Bid-Build</u></i>	
Design Development (60% Design)	July 2021

Construction Documents	December 2021
Bid and Award	May 2022
Construction Completion	December 2025*
<i>Design-Build</i>	
Bridging Documents with 50% Design	July 2021
Pre-qualification and bid process for DB Entity	October 2021
Construction Documents	May 2022
Construction Completion	October 2025*

*Note: Assumes that construction for police and library buildings will be staggered (construction period reduced for concurrent construction).

Time savings with DB method may not be significant since the same number of contracts and similar design approval process shall be incorporated. If possible, construction of both buildings simultaneously will be an option to reduce completion time. If CPD and Campbell Library projects are bifurcated, simultaneous construction option may prove to be more challenging due to logistics, especially if the buildings are in close proximity to each other.

As part of design services, geotechnical studies and Phase 1 environmental site assessment are to be conducted to determine issues surrounding soil conditions and profile at project sites.

Measure O General Obligation Bond Policies:

Staff will coordinate closely with the financial consultant and the bond counsel regarding the applicable debt management policies, compliance with state and federal laws, reporting requirements, timing of debt issuance (bond sales), and Citizens' Oversight Committee to monitor expenditures of bond proceeds on an annual basis. The Citizens' Oversight Committee shall consist of at least five (5) members appointed by the City Council. Staff shall return to the City Council with recommended committee bylaws and the selection process to appoint committee members.

PROJECT RELATED QUESTIONS

The following is a list of project related questions/issues that staff will seek Council feedback and direction at the November 19 Council Meeting:

1. Should the Campbell Library remain in the current facility or should staff investigate alternate sites to relocate the library away from the Civic Center

complex? Investigating alternate sites for the library may expand the design scope and extend the project schedule.

2. Should the CPD and Campbell Library building projects be grouped as one project or two separate projects? If projects are bifurcated, decisions will need to be made early in the design phase for the project scope, priorities, budget, and timing to be assign to each project.
3. If the police and library projects are grouped as one, can staff further consider the Design-Build project delivery method or proceed with traditional Design-Bid-Build project delivery method?
4. Should staff issue the RFP with input and direction provided by the Council? Or should staff return to Council with an updated document based on Council feedback?

FISCAL IMPACT

There are costs associated with each issuance of debt. Issuance of debt for the Measure O GO Bond will occur in two series to fund design and construction phases. At the time of debt issuance, the City must have reasonable expectations to spend at least 85% of bond proceeds timely within three years. Staff is targeting April 2020 for the first GO bond sales to fund the initial design phase. Staff proposes to use reserve funds from various sources such as the Civic Center Master Plan, City Council Priorities, General Fund, and/or Economic Fluctuation Fund for the Measure O Program until bond proceeds are available.

Below are general breakdowns of project tasks and anticipated costs for the Civic Center Improvements:

Measure O Program Budget Based on Design-Bid-Build (DBB) Process

<u>Use of Funds</u>	<u>Anticipated Costs</u>
Design	\$ 5,000,000
Project Management	\$ 1,400,000
Construction Management/Inspection	\$ 2,000,000
Environmental	\$ 100,000
Geotechnical	\$ 60,000
Design Contingency (~10% of soft costs)	\$ 860,000
Construction	\$ 36,500,000
Construction Contingency (10%)	\$ 3,650,000
Bond Issuance Fees	\$ 430,000
	\$ 50,000,000**

Measure O Program Budget Based on Design-Build (DB) Process

<u>Use of Funds</u>	<u>Anticipated Costs</u>
Bridging Documents Design	\$ 2,000,000
Project Management	\$ 1,400,000

Construction Management/Inspection	\$ 3,000,000
Environmental	\$ 100,000
Geotechnical	\$ 60,000
Design-Build Contract	\$ 39,100,000
Contingency (10%)	\$ 3,910,000
Bond Issuance Fees	\$ 430,000
	\$ 50,000,000**

****Note:** Remaining Measure O funds after the completion of police and library buildings may be applied to improvements of the existing police building.

Staff will continue to work with CPD and SCCLD to seek additional external funding sources and grant opportunities for the Civic Center Improvements. The Department of Homeland Security has grant programs that staff will pursue in 2020 or 2021 to supplement police equipment costs associated with the new police building. While SCCLD will directly fund FF&E costs for the library, Measure O proceeds may need to cover majority of costs associated with police FF&E.

Prepared by:



WooJae Kim, Senior Project Manager

Reviewed by:



Todd Capurso, Director of Public Works

Approved by:



Brian Loventhal, City Manager

Attachment:

1. Resolution RFP Authorization
2. CC Resolution 12345
3. 2019 Campbell Library Feasibility Study

4. Draft Request for Proposal for Design Consultant Services