



**Agenda Item No: 4.h**

**Meeting Date: October 17, 2022**

## **SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: Public Works**

**Prepared by: April Miller,  
Director of Public Works**

**City Manager Approval:** \_\_\_\_\_ 

File No.: 06.01.243 & 06.01.245

**TOPIC: INCREASE CONSTRUCTION CONTINGENCY ON FIRE STATIONS 54 & 55 ESSENTIAL FACILITIES PROJECTS**

**SUBJECT: RESOLUTION AUTHORIZING ADDITIONAL CONSTRUCTION CONTINGENCY FUNDS FOR PHASE 2 ESSENTIAL FACILITIES PROJECTS - FIRE STATIONS 54 AND 55, IN AN AMOUNT NOT TO EXCEED \$450,000, FOR A TOTAL CONSTRUCTION CONTINGENCY AMOUNT OF \$1,330,900**

### **RECOMMENDATION:**

Adopt the resolution authorizing additional construction contingency funds due to unforeseen conditions for the City of San Rafael Essential Facilities Construction Project – Fire Stations 54 and 55, in the not to exceed amount of \$450,000, for a total construction contingency amount of \$1,330,900; and

### **BACKGROUND:**

On November 5, 2013, the voters approved Measure E extending the existing one-half percent local sales tax and increasing the rate by one-quarter percent to provide funding to preserve essential city services. The City has since used those resources to plan, design, construct and manage two new stand-alone fire stations, 52 and 57, and a new Public Safety Center (PSC) that incorporates Fire Station 51. These three projects are collectively referred to as “Phase 1” of the City’s Essential Facilities Program. They have all been successfully completed, occupied and are operational. The Essential Facilities program also includes the design, construction, and management of Fire Stations 54 and 55, referred to as “Phase 2”.

Fire Stations 54 and 55 were designed and built in the mid-1960s and are now beyond their useful life.

Fire Station 54 is located at 46 Castro Avenue in the Canal neighborhood. It contains an apparatus bay composed of a steel-framed structure that houses one engine and the City’s ladder truck. The apparatus bay is salvageable but requires seismic upgrades. The living quarters consist of a single-story wood-framed structure which has become obsolete due to age and deterioration. The living quarters include a living area, kitchen, sleeping quarters, and a restroom. The living quarters do not meet current standards for seismic, the Americans with Disabilities Act (ADA), or flood protection, and do not provide separate sleeping and restroom

---

**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

## **SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 2**

space for male and female firefighters. The living quarters will be demolished, and a new code-compliant structure will be constructed in its place.

Fire Station 55 is located at 955 Point San Pedro Road between Knight Drive and Peacock Drive. This station was also built in the 1960s and is mostly a wood-frame structure. The apparatus bay is a wood-frame structure supporting a steel girder roof system. The apparatus bay requires significant seismic improvements but is salvageable. The living quarters, kitchen and sleeping quarters are almost identical to Station 54, with the same issues, and are also beyond their useful life. Like Fire Station 54, the living quarters at Fire Station 55 will be demolished and a new code-compliant structure will be constructed in its place.

The Department of Public Works issued a request for bids for the renovation of the two fire stations in May of 2021. The City received two bids. The contractors who submitted bids were Build Group, Inc., and F&H Construction. The apparent low bidder, Build Group, Inc., withdrew its bid due to a clerical error. The only responsive bidder left was F&H Construction with a total bid amount of approximately \$10.6M. The City decided to reject the bid and rebid the projects.

On September 1, 2021, the project was re-advertised in accordance with San Rafael's Municipal Code. On September 30, 2021, bids were received. The lowest responsible bidder was Wickman Development and Construction with a total bid amount of \$8,809,000.

This rebid process successfully realized a \$1.7M in savings compared to the first bid results.

On October 18, 2021, the City Council adopted [Resolution 14988](#) awarding and authorizing the City Manager to execute a construction agreement for the Fire Station 54 and 55 Project to Wickman Development and Construction in the amount of \$8,809,000 and authorizing contingency funds in the amount of \$880,900, for a total appropriated amount of \$9,689,900.

On January 10, 2022, the City issued Notice to Proceed with Construction of the Essential Facilities Phase 2, Fire Station 54 and 55, to Wickman Development and Construction. Construction of the project began shortly after the Notice to Proceed.

### **ANALYSIS:**

The Fire Station 54 & 55 basis of design was to salvage and reuse the apparatus bays and rebuild the living quarters. Although this approach resulted in considerable savings, the construction team has also encountered a number of unforeseen conditions that are above and beyond industry standards, which has nearly exhausted the construction contingency funds.

For example, at Fire Station 54 the entire apparatus bay structure had an extraordinary level of settlement due to the unstable soil conditions. During demolition, the contractor discovered concrete slab and column settlement on the north side of the building of as much as eight inches. This amount of building settlement could only be overcome by demolishing, reinforcing, and replacing the apparatus bay concrete floor in full. In addition, structural beams members had to be added and a column to roof heavy gate metal had to be designed, fabricated, and installed.

At Fire Station 55, several instances exceeded expectations of unforeseen conditions typical of a project of this size. The construction team discovered an underground fuel storage tank that had to be removed. Rules and regulations associated with underground fuel storage tank removal are intricate and time consuming as various agencies, CUPA & BAAQMD, have to be involved and supervise the process from beginning to end. This process caused the project to expend additional resources to complete construction elements around the tank excavation until it was removed and fully closed.

Also, at Fire Station 55, the existing sanitary sewer piping under the building had been compromised beyond repair and couldn't be reused as planned. Instead in had to be fully replaced.

The original budget for Phase 2 was in place before the onset of the pandemic. The disruptive nature of the pandemic, along with the Shelter-in Place Order that began in March of 2020, caused a worldwide break in supply chains, and in turn instigated a radical shift in market conditions which resulted in greatly increased building supply and construction costs. Unfortunately, this trend of overinflated materials and labor costs has continued through the duration of construction of the two fire stations.

Extraordinary unforeseen conditions and rising materials and labor costs have caused a much faster use of contingency funds by the project team.

**PUBLIC OUTREACH:**

City staff from Community Development, Public Works, the Fire Department, and the City Manager's Office have participated in extensive public outreach to neighbors and other interested parties regarding the two projects. Both projects were reviewed by the Design Review Board and the Planning Commission. The City Council conducted public meetings and ultimately approved these two Fire Station projects as part of Phase 2 of the Essential Facilities Strategic Plan. The public was also be contacted prior to demolition and noticed prior to the start of construction activities. For more information on public outreach, please see the [Essential Facilities Public Input](#) webpage.

During construction, City staff continues to communicate with homeowner associations, neighborhood leaders, and the general public to provide them with construction updates and any potential impacts to the community.

**FISCAL IMPACT:**

Staff recommends the City Council approve an additional project contingency amount of \$450,000 to complete the construction of the Project, detailed in the below table.

Original Bid Total	\$	8,809,000	
10% Original Contingency			\$ 880,900
Contingency Increase			\$ 450,000
Total Construction Contingency (approx. 15%)			<hr/> \$ 1,330,900

This will be appropriated from the Essential Facilities Capital Projects Fund #420 (Project numbers 11394 and 11395). This fund has been accumulating a portion of Measure E tax dollars for the purpose of these projects and has a sufficient balance set aside to support the total project budget amount.

**OPTIONS:**

1. Adopt the resolution as presented.
2. Do not adopt the resolution and provide direction to staff. If this option is chosen, construction will likely need to be delayed indefinitely until a new source of funds is identified.

**ATTACHMENTS:**

1. Resolution authorizing additional contingency funds for the Fire Station 54 and 55 Project in the amount of \$450,000

**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AUTHORIZING  
ADDITIONAL CONSTRUCTION CONTINGENCY FUNDS FOR PHASE 2 ESSENTIAL  
FACILITIES PROJECTS – FIRE STATIONS 54 AND 55, IN AN AMOUNT NOT TO EXCEED  
\$450,000, FOR A TOTAL CONSTRUCTION CONTINGENCY AMOUNT OF \$1,330,900**

**WHEREAS**, on the 1<sup>ST</sup> day of September 2021, City staff solicited contractor bids for the Essential Facilities Construction Project – Fire Stations 54 and 55, City Projects No. 11394 and 11395 respectively; and

**WHEREAS**, having advertised and solicited construction bids in accordance with the City’s Municipal Code, sealed bids were received on the 30<sup>th</sup> day of September 2021 for the project entitled “FIRE STATION 54 AND 55” City Project Numbers 11394 and 11395, in accordance with the plans and specifications therefore on file in the office of the Department of Public Works; and

**WHEREAS**, on the 18<sup>th</sup> day of October 2021, the City Council adopted [resolution 14988](#) for the construction contract award to the lowest responsible bidder, Wickman Development and Construction, in the bid amount of \$8,809,000 and authorized a construction contingency in the amount of \$880,900; and

**WHEREAS**, on the 10<sup>th</sup> day of January 2022, a Notice to Proceed with construction was issued to Wickman Development and Construction; and

**WHEREAS**, the basis for design accounted to fully salvage the apparatus bays and rebuilding the living quarters; and

**WHEREAS**, during construction, the construction team encountered out of the ordinary, unforeseen conditions that nearly exhausted the originally authorized construction contingency; and

**WHEREAS**, City staff recommends an additional \$450,000 of construction contingencies; and

**WHEREAS**, there are sufficient funds in the Essential Facilities Capital Projects Fund to support the additional construction contingencies.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL RESOLVES** as follows:

1. An additional amount of \$450,000 shall be available as a supplemental construction contingency for the Essential Facilities Construction Project – Fire Station 54 and 55, and the Public Works Director is authorized to use such contingency funds to authorize change orders to address unforeseen conditions during construction.
2. Additional funds totaling \$450,000 will be appropriated for City Projects No. 11394 and 11395 from the Essential Facilities Capital Projects Fund (#420).
3. The Public Works Director is hereby authorized to take any and all such actions and make changes as may be necessary to accomplish the purpose of this resolution.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City on the 17<sup>th</sup> day of October 2022, by the following vote, to wit:

**AYES:            COUNCILMEMBERS:**

**NOES:            COUNCILMEMBERS:**

**ABSENT:        COUNCILMEMBERS:**

**LINDSAY LARA, City Clerk**