



City of Huntington Beach

File #: 19-159

MEETING DATE: 3/18/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: Travis K. Hopkins, PE, Director of Public Works

Subject:

Approve and authorize execution of a Professional Services Contract with Erickson-Hall Construction Co. for the Police Department Modernization Project

Statement of Issue:

The Public Works Department is assisting the Police Department with procurement of the services of a Program Manager for Phase I Preconstruction Services for the Police Department Building Modernization Project.

Financial Impact:

Funds in the amount of \$1,599,741 are available in the Infrastructure Fund Account 31487004.82200 for Phase I Preconstruction Services of the Police Building Modernization Project. Construction, which will be part of Phase II of the project, will require a separate City Council action at a later date.

Recommended Action:

Approve and authorize the Mayor and City Clerk execute the "Professional Services Contract Between the City of Huntington Beach and Erickson Hall Construction Company for Program Management Services for Modernization of the Police Department Facility."

Alternative Action(s):

Do not approve the contract and direct staff on how to proceed.

Analysis:

The Police Department building at the Civic Center, built over 45 years ago, is in need of major infrastructure upgrades including expansion of the locker rooms, restrooms, Communications Center, and exercise room, while improving the ventilation system and other aged and deteriorated utilities. The City Council previously allocated over \$200,000 to procure the services of an architect to prepare schematic design level drawings. The schematic design drawings were prepared in consultation with Police Department staff to ascertain their vision for the operational and functional performance of the building while at the same time planning to completely renew the aged infrastructure such as the ventilation, sewer and water systems. At the conclusion of the schematic

design process, the probable construction cost estimate is \$16 million.

Due to the complexity of the proposed improvements, and the unknowns of construction in an older building, it was decided to use a Program Manager at Risk (PMAR) contract method. This contracting method was chosen to shift the risk of the cost of the project from the City to the PMAR. Under a PMAR procurement, there are two distinct contracts and phases. Phase I, which is the purpose of this RCA, involves the design of the project under a Professional Services contract. The design effort is a collaboration between the Contractor and the Architect as a team which results in the Program Manager presenting the City with a Guaranteed Maximum Price (GMP) for the construction of the project. The City has the ability to review and, if necessary, negotiate the GMP prior to entering into a construction contract (Phase II), which would go to City Council for approval in a future RCA. If the City is unable to negotiate the GMP, the City has the option to bid the project while assuming any risk of price escalation, should unknown conditions exist. The key advantages to a PMAR procurement are:

- Construction cost is known at the end of Phase I
- Construction cost savings are returned to the City
- Accelerated process to deliver final product
- Key financial risks are assumed by the PMAR
- No change orders during construction, unless initiated by the City.

On December 19, 2018, the City received proposals from three consultants. Their proposals were reviewed in conformance with a Qualifications Based Selection process (QBS), in which the consultants were ranked, solely based upon their qualifications. Under a QBS process, the fee proposals are submitted separately, only to be reviewed once the ranking is determined. The review team consisted of the Assistant City Manager, Assistant Chief of Police, Budget Manager, Public Works Construction Manager, Public Works Facilities Manager, and an Orange County Public Works Infrastructure Project Manager, as an independent reviewer. After review of the three proposals, the top two were invited to an interview to further review their qualifications based upon the scoring by the reviewers. Upon completion of the interviews, the consensus of the review panel was that Erickson-Hall was the preferred consultant, notably in the following areas:

- Individual team member qualifications, including the assigned Project Manager
- Proposed a broader Project Team
- Project understanding of specific items described in the RFQ
- Experience with tenant improvements versus ground up construction
- Project approach addressing the schematic design included in the RFQ
- Interaction/exchange and response to questions during the interview
- Project control tools and rapid response capabilities displayed during interview

The fee proposals were then opened and evaluated. Industry standard would anticipate a design

cost of approximately 10% of the estimated construction cost, or \$1.6 million. Erickson-Hall's fee proposal was \$1,599,741. The City Council has approved \$2,000,000 in the current FY 18/19 CIP budget for this project. Therefore, based on a Quality Based Selection process, in conformance with Municipal Code 3.03, staff recommends award of a professional services contract to Erickson-Hall. It is estimated that the Phase II construction contract will be taken to City Council toward the end of this year. The second vendor's comparable fee proposal came in at \$1.4 million.

Environmental Status:

Not applicable

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Professional Service Award Analysis
2. Professional Services Contract between the City of Huntington Beach and Erickson-Hall Construction Company for the Police Department Modernization Project