Council Agenda Report

From: Freda Berman, Maintenance Superintendent

Subject: Award Contract for Prefabricated Engineered Metal Building for the Emergency Warming Center

Date: January 7, 2020

Facts
1. On November 6, 2018, City Council adopted Resolution 18-152 declaring a shelter crisis in the City of Paso Robles and authorizing participation in the Homeless Emergency Aid Program (HEAP).
2. The City's HEAP grant proposal requested $1,799,702 to construct an Emergency Warming Center and provide funds to subrecipient El Camino Homeless Organization (ECHO) to enhance their operations. The San Luis Obispo County Board of Supervisors reduced the total award to $1,508,923 -- $920,126 to construct the Emergency Warming Center and $588,797 to ECHO.
3. All HEAP grant funds must be expended by June 30, 2021.
4. On October 1, 2019, City Council approved a one-year agreement with ECHO to assist the City in the development and operation of the warming center.
5. On November 5, 2019, City Council approved three agreements associated with construction of the Emergency Warming Center -- $184,000 to Gabriel Architects for architectural design; $17,958 to SWCA Environmental Consultants for environmental studies; and $52,928 to GHD for traffic and pedestrian access engineering.
6. The onerous funding deadline and long engineering and manufacturing lead times necessitates contracting for provision of the metal building prior to completion of the construction plans.
7. On November 22, 2019, the City issued an Invitation to Submit Proposals to provide a prefabricated engineered metal building for the Emergency Warming Center. Four firms – Davner Construction & Engineering Services Inc., Klassen Corporation, Mills Construction and Nunno Corporation, Ltd. – submitted proposals, which were evaluated by staff based on demonstrated expertise and experience as well as an excellent understanding of the urgencies of the project and a record of satisfactory work associated with projects of this type performed for either the City of Paso Robles or other agencies.
8. Mills Construction and Nunno Corporation, Ltd. were invited to interview with City staff. Dick McKinley, Public Works Director, Brian Cowen, City Building Official, Kristin Ferravanti, Capital Projects Assistant Engineer, and Freda Berman, Maintenance Superintendent, discussed each proposer’s project approach, engineering capabilities, and ability to meet critical project timeframes. Moreover, the panel emphasized the collaborative effort required for project success.
9. The panel recommends awarding Mills Construction a contract for provision of the prefabricated engineered metal building for the Emergency Warming Center.

Options
1. Take no action;
2. Enter into an agreement with Mills Construction for provision of a prefabricated engineered metal building for the Emergency Warming Center;
3. Provide alternative direction to staff.

Analysis and Conclusions
Although this project is not being developed with a design-build delivery system where design and construction services are contracted together at project start, the concepts that make the design-build approach so effective are relevant. Design-build provides that the architect, contractor, and suppliers
work together from the start. Specific project constraints and challenges are dealt with collaboratively, ultimately producing a product better than if they worked separately.

Mills Construction recognizes the collaborative effort necessary to produce a metal building that meets all project deadlines. They have successfully worked with Gabriel Architects in the past. Importantly, they acknowledge the flexibility, to the extent that it is realistic, that will be required to produce a metal building that meets the essential project parameters of quality, price, and time.

**Fiscal Impact**
The not-to-exceed cost for Mills Construction to provide a prefabricated engineered metal building for the Emergency Warming Center is $91,180. As plans are finalized and refined it is likely that this cost will be reduced by $4,000 - $6,000.

As the Gabriel Architects has finalized design, several aspects of the site have evolved, and costs have risen from the initial construction estimate of $1,200,000. Significantly, the building has increased in size, bringing functions that were originally proposed in separate structures under one roof for greater operational control. The warming center was reoriented to address State of California storm runoff requirements. Finally, elements such as site preparation, path of travel details and furnishings were included.

The revised overall estimated project and operating budget for the Emergency Warming Center is as follows:

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Construction Estimate</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Gabriel Architects</td>
<td>$ 184,000</td>
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<tr>
<td>SWCA (CEQA services)</td>
<td>$ 17,958</td>
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<tr>
<td>GHD (pedestrian access design):</td>
<td>$ 52,928</td>
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<tr>
<td>ECHO (staff outsourcing for one year):</td>
<td>$ 109,822</td>
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<tr>
<td>Pedestrian Path to Access Center ($350k-$500k approx.)</td>
<td>$ 500,000</td>
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<tr>
<td>Mills Construction (metal building)</td>
<td>$ 91,180</td>
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<tr>
<td><strong>Total Expenditures:</strong></td>
<td><strong>$2,555,888</strong></td>
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<tr>
<td>Less: Grant Funds (confirmed to date):</td>
<td>$ 920,126</td>
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| **Maximum Anticipated General Fund Contribution:** | **$1,635,762****

**The General Fund contribution will be reduced as additional grants and donations are received. It should also be noted that the above costs will continue to be refined. The General Fund contribution (a maximum of $1,635,762) will likely be appropriated in FY 2020-21.**

**Recommendation**
1. Approve Resolution 20-XXX authorizing the City Manager to enter into agreement with Mills Construction for the provision of a prefabricated engineered metal building for the Emergency Warming Center in an amount not to exceed $91,180.
2. Authorize the City Manager and City Attorney to make minor adjustments to the agreement, if needed, remaining fully consistent with the Council’s intent.

**Attachments**
1. Resolution 20-XXX
2. Proposal – Mills Construction
RESOLUTION NO. 20-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES AWARDING
A CONTRACT FOR THE EMERGENCY WARMING CENTER PREFABRICATED
ENGINEERED METAL BUILDING TO MILLS CONSTRUCTION

WHEREAS, on November 6, 2018, City Council adopted Resolution No. 18-152 declaring a shelter crisis in the City of Paso Robles and authorizing participation in the Homeless Emergency Aid Program (HEAP); and

WHEREAS, after a grant proposal was submitted to San Luis Obispo County for $1,799,702, in April 2019 the Board of Supervisors awarded $1,508,923 to the City of Paso Robles; $920,126 directly to the City to construct an Emergency Warming Center and $588,797 to ECHO; and

WHEREAS, all HEAP funds must be expended by June 30, 2021; and

WHEREAS, the funding deadline and long engineering and manufacturing lead times necessitates contracting for the provision of the metal building for the Emergency Warming Center prior to completion of the construction plans; and

WHEREAS, City staff solicited proposals for the provision of a prefabricated engineered metal building; and

WHEREAS, Mills Construction is recommended to be retained for provision of the metal building for the Emergency Warming Center.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby authorizes the City Manager to execute an agreement with Mills Construction in the amount of $91,180 for the provision of a prefabricated engineered metal building for the Emergency Warming Center.

Section 2. The City Council hereby authorizes the City Manager to execute these agreements in a form approved by the City Attorney.

APPROVED this 7th day of January 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Melissa Martin, Deputy City Clerk
Proposal – Mills Construction