

Memorandum

To: Mayor and City Council Members
Douglas Faseler, City Manager

From: Rick Cortes, Assistant City Manager

Subject: New Utility Operations Center Update and Authorization to Bid

Date: August 15, 2015

On October 16, 2014 City Council authorized staff to enter into an agreement with TSG Architects to prepare architectural designs and construction documents for the new Utility Operations Center and Warehouse which is scheduled to be located on Business 123 and Stremple Road. Authorization to proceed was granted based on a study conducted by TSG Architects identifying the need for a new facility since the departments currently utilizing the current facilities had outgrown the facilities and it was becoming more and more difficult to provide space for both personnel and materials.

Since receiving authorization to proceed, Tim S. Gescheidle, AIA, principal and owner of TSG Architects, has been directly involved in the development of this project from concept through completion of designs and construction documents; at this time, the plans and construction documents are completed, and this project is ready to be bid. Attached for your review is an updated construction schedule and projected costs for the project. Estimated project costs are as follows:

Base Bid	\$11,038,355
Auxiliary Cost	<u>\$2,010,450</u>
	\$13,048,804

Base Bid includes the Operations, Warehouse, and Office/Storage Buildings, Truck Wash, Covered Dock and Walkways, and Site Work. (Please note the base bid estimate includes \$1,059,025 for Contingencies.) Auxiliary Costs include IT/Security, Architectural/Engineering, Interior Design Consulting and FF&E (Furniture, Fixtures, & Equipment), Geotech Consulting, Construction Testing Services, and Reimbursements.

Approved funding allocated to the project is currently \$11,095,463. Due to the difference in funding, staff and the architect has been working with the design to identify areas within the project which will allow savings without significantly impacting the project. However the actual cost will not be known until the project is bid and proposals are reviewed. Should additional funding be required for the project, staff would recommend using funding from the Utility Hydro Subordination Fund; this is one-time revenue stream that would be appropriate for such a long-life capital improvement project. Additionally, funding for the furniture, fixtures, and equipment, estimated at \$500,000, could be delayed until FY17 since substantial completion is not anticipated until October 2016.

There are two Alternative Bid items within the bid packet for additional covered parking; however the estimated cost of these items is \$1,881,442 and could only be considered with favorable bids. Staff recommends approval of the proposed resolution authorizing the City Manager to solicit competitive bid proposals for the Utility Operations Center. If you have any questions, please feel free to call me at your convenience.