



# COUNTY OF HUMBOLDT

## Legislation Text

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**File #:** 19-1236, **Version:** 1

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Departmental

**SUBJECT:**

Bid Award Authorization for Construction of the Courthouse Fifth Floor Remodel Project and Supplemental Budget Request (4/5 Vote Required). County Project Number 2018-102

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Receive and file the bids for the Courthouse Fifth Floor Remodel Project, Project Number 2018-102;
2. Award the project to the lowest responsible and responsive bidder, Adams Commercial General Contracting, Inc.;
3. Authorize the Purchasing Agent to sign the construction agreement with Adams Commercial General Contracting, in the form of the attached sample agreement subject to approval from County Counsel and Risk Management; and
4. Adopt the supplemental budget depicted below and direct the Auditor-Controller to perform the budget adjustment for the Capital Projects budget unit (4/5 vote required).

Revenue 1100-170-708250	Proceeds from Finance Plan	\$566,311
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Expenditure 1100-170-8966	Courthouse Renovation/Remodel	\$566,311
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**SOURCE OF FUNDING:**

General Fund (1100)

**DISCUSSION:**

On November 1, 2018, the County of Humboldt entered into a consultant services agreement with Nichols, Melburg & Rossetto, AIA & Associates, Inc. (NMR) to design plans and specifications for the construction of the Courthouse Fifth Floor Remodel Project. The construction project completely renovates the unoccupied space on the south side of the Courthouse fifth floor making space for offices, a conference room, an interview room and administrative spaces that will house approximately fourteen (14) staff members and provide a streamlined singular location for the services offered by the District Attorney's (DA) Child Abuse Services Team (CAST) and Victim Witness (VW). Work will consist of demolishing the existing interior walls and removing and replacing existing mechanical

equipment currently housed in the fifth floor mechanical rooms and placing new equipment on the roof of the Courthouse. A new roof will be placed on the west hip of the fifth floor roof prior to installation of the new mechanical equipment. Staff worked with Public Works, DA staff, County Information Technology (IT) staff and NMR in the review and development of the project's plans and timeline.

Construction is expected to be 200 calendar days and is anticipated to begin in September 2019 and be completed by March 2020. All exterior work is slated to be conducted in September and October 2019 prior to the traditional start of the rainy season.

On July 9, 2019, your Board authorized the Courthouse Fifth Floor Remodel Project to be advertised for public bid. On August 6, 2019, the county received and opened three (3) bids with results as follows:

Contractor:	Base Bid:
Pierson Company, Eureka, CA	\$3,540,000
Adams Commercial General Contracting, Inc., Eureka, CA	\$2,733,721
Danco Builders, Arcata, California	\$3,287,149

The general conditions set forth in the project specifications manual require that the project be awarded on the merits of the lowest qualified, responsible and responsive base bid. In this case, staff recommends that your Board award this project to Adams Commercial General Contracting, Inc., Eureka, CA, for the total base bid award amount of \$2,733,721.

The engineer's estimate for the Courthouse Fifth Floor Remodel Project was \$1,939,343. The lowest qualified, responsible and responsive bid was \$794,378 over the engineer's estimate. NMR provided staff with the following statement on industry factors that they attribute as reasoning for receiving bids over the original engineer's estimate:

Construction costs have increased dramatically in California. The typical annual escalation rate for 2016, 2017 and 2018 was 3% of construction costs. This year escalation has seen a jump to 4% or 5% throughout California and 6% or 7% in large urban areas. A couple contributing factors to the escalation increase are (1) recently adopted labor laws have increased the cost of labor (2) the California wildfires increased the demand for labor and created a temporary labor shortage (3) 2019 was hit with an 8% increase on most building materials because of the change in the federal trade policy. Construction cost escalation was included in the estimate. However, the rate of escalation has increased more than anticipated over the last year.

The project is located in various secure areas of the Courthouse which present an inherent level of difficulty that limits the pool of contractors interested in the project. The work needed to get materials to the fifth floor and the roof will require additional coordination. The requirements for scheduling construction activities with the other occupants of the building has increased

construction costs. The bidding contractors expressed concern with the project's complexity, which is manifested in the wide variation between the bids.

The volume of construction projects available for bid in Humboldt County this year has allowed contractors to be selective on which projects they bid, thus increasing the cost of construction for all projects.

The low amount of contractors that bid the project contributed to the increase in the construction bid. There were three local, responsive bidders at the bid opening and they listed almost all of the same sub-contractors. Projects attracting more interest from general contractors reliably garner more bids from subcontractors, creating a more competitive environment.

VW is currently located at a leased facility at 712 4<sup>th</sup> Street, Eureka. Its lease expired on July 31, 2019. VW made a request to the owners to enter into a month-to-month holdover, effective August 1, 2019, between the end of the lease and the move to the Courthouse. This building is among the buildings listed in the consent decree with the United States Department of Justice (DOJ) that required compliance with the Americans with Disabilities Act (ADA). All ADA barriers specified in the consent decree have been remediated. However, additional terms of the consent decree require that all facilities the county provides a program, service or activity must be fully compliant. In order to avoid renewing a lease for a non-compliant facility and knowing the program would be moving to the Courthouse, county staff on behalf of the program proposed the month to month lease option.

The CAST program is currently located in the same building as the Public Defender's office at 1001 4<sup>th</sup> Street, Eureka, which places victims and accused perpetrators in close proximity to each other making this location less than ideal. The current CAST office has known ADA access barriers and was one of the facilities listed in the 2016 Consent Decree with the DOJ. These accessibility barriers will require a large financial investment to remediate and currently remain due in part to plans to relocate the program to the fully accessible remodeled space in the Courthouse.

On March 5, 2019, your Board adopted the 2019-2020 Strategic Framework Update. This project meets your 2019-2020 Strategic Framework goals, strategies and objectives, to "Reduce adverse childhood experiences (ACES), improve implementation of trauma informed care practices," and section 1.3.F strategy to "streamline services to reduce further trauma to youth" with the objective (Performance Measure) to "Centralize the District Attorney's Victim Witness and Child Abuse Services Team on the fifth floor of the Courthouse".

#### FINANCIAL IMPACT:

The total project cost for the Courthouse Fifth Floor Remodel Project is currently estimated at \$3,453,888. On January 19, 2016, your Board approved the 2016 Finance Plan which allocated \$900,000 and on November 13, 2018, your Board authorized an additional \$1,700,000 towards the project. The Capital Projects Budget (1100-170) currently has \$2,800,000, in the FY 2019-20 budget for this project. The current California Superior Court's cost share is \$87,577 and is expected to

increase once the project is awarded and unit costs are known. The project currently has \$2,887,577 allocated between funding sources leaving an estimated budget shortfall of \$566,311. The County Administrative Officer has approved additional use of 2016 Finance Plan funds for increased costs not previously anticipated for the Courthouse Fifth Floor Remodel Project in the amount of \$566,311.

#### STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by fostering transparent, accessible, welcoming and user friendly services and provides and maintains infrastructure.

#### OTHER AGENCY INVOLVEMENT:

None

#### ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board has several alternatives to the staff recommendation to consider.

1. Your Board could choose to not approve staff recommendations to award the project, cancel the bid and instruct staff to advertise and re-solicit bids. This is not recommended as a second round of bids may result in increased base bid amounts, higher escalation costs, additional costs associated with increased staff time and delays in the project time line which could result in the contractors missing the critical dry weather season to complete the exterior project components thereby delaying project completion and leaving the fifth floor roof in its current leaking state as well as leaving VW in a facility that is currently in a month to month lease and CAST co-located with the Public Defender Office.
2. Your Board could choose not to approve staff recommendations to award the project, cancel the bid, and instruct staff to seek a reduction in the project scope and focus only on the interior improvements for the new CAST and VW space and forgo installation of a new roof and replacement and relocation the mechanical equipment to the roof. This is not recommended as current space needs for the colocation of CAST and VW programs require square footage that Fan Room One currently occupies. This would require the design team to redesign the current construction drawings and reduce the already consolidated space size CAST and VW are projected to occupy. Reducing the project square footage will affect the number of staff members that can inhabit the space, resulting in a programmatic burden. Further, the mechanical equipment is original to the building and is in dire need of replacement. Much of this equipment has suffered from extreme deterioration, is energy inefficient, is technologically antiquated, and is plagued with recurring mechanical failures.
3. Your Board could choose not to approve staff recommendations to award the project, cancel the bid, and instruct staff to seek a reduction in the project scope and focus only on the interior improvements for the new CAST and VW space and only relocate and replace the equipment necessary to gain the required square footage for the programs to occupy. This is not recommended as the existing equipment operates as one single system, making changes to any singular component would create balancing issues with the remaining components and thereby creating unpleasant building ventilation conditions.

4. Your Board could choose not to approve staff recommendations to award the project, cancel the bid, and instruct staff to seek a reduction in the project scope and focus only on the interior improvements for the new CAST and VW space, replace and relocate the mechanical equipment to the roof and forgo the installation of a new roof on the western hip of the fifth floor. However, this is not recommended as the current roof membrane has exceeded its anticipated life expectancy and has numerous places that are plagued with chronic leaks which will continue to persist.
5. Your Board could choose not to approve staff recommendations to award the project, cancel the bid, and abandon the project. This is not recommended as VW is in a facility that is currently in a month to month lease. CAST is in a facility co-located with the Public Defender Office. The 2019-2020 Strategic Framework strategy to “streamline services to reduce further trauma to youth” with the objective (Performance Measure) to “Centralize the District Attorney’s Victim Witness and Child Abuse Services Team on the fifth floor of the Courthouse would need to be re-examined. The leaks on the fifth floor roof will continue to persist and the replacement of the antiquated and deteriorated ventilation equipment will be delayed.

**ATTACHMENTS:**

Bid Results List- Fifth Floor Remodel

Construction Agreement- Adams Commercial General Contracting  
Supplemental Budget

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: H3, I1, C9, C14, C12

Meeting of: 01/19/2016, 11/13/2018, 03/05/2019, 06/18/2019, 07/09/2019

File No.: 16-0055, 18-1488, 19-0314, 19-0794, 19-1026