



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2021-00433

May 4, 2021

Consent Item 24

Title: Budgetary Adjustment: Fire Station 14 Project (F13000800)

Location: 1400 North B Street, District 3

Recommendation: Adopt a Resolution authorizing the City Manager or the City Manager's designee to appropriate the Intergovernmental Transfer (IGT) commitment of General Fund (Fund 1001) balance in the amount of \$2,000,000 to the Fire Station Replacement Program (F13000800).

Contact: Mark C. Brown, Supervising Engineer, (916) 808-7118; James Christensen, Facilities Manager, (916) 808-5863, Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: The Fire Station 14 project involves construction of a new fire station at 1400 North B Street to replace the former Fire Station 14 which had exceeded its useful life. The project includes new on-site and off-site improvements and a new 10,374 square foot fire station with three apparatus bays, and accommodations for 10 fire personnel.

The City Council awarded a construction contract with D.L. Falk Construction, Inc. (“DLF”) on December 10, 2019, for \$9,472,790 and a notice to proceed was issued to DLF on March 4, 2020. On March 19, 2020, both the Statewide Stay-at-Home Order and the Order of the Health Officer of the County of Sacramento were issued in response to the ongoing COVID-19 pandemic (“pandemic”), effectively requiring persons to “secure in place.” Construction was allowed to continue on Fire Station 14 as essential and critical city infrastructure, consistent with local orders. Construction is anticipated to be complete in December 2021.

Change Orders No. 1 and No. 2, totaling \$383,065 have been executed to address changes to the bid documents, and City-initiated changes encountered during construction. Current change order expenditure reflected in Change Orders No. 1 and 2 is approximately 4% of the original contract amount.

Poor soil conditions, design and construction challenges, and ongoing impacts from labor and material shortages due to the pandemic have lengthened the project delivery schedule, creating additional project management and general conditions expenditures not originally anticipated in the project budget. A total of 154 calendar days have been added to the project delivery schedule. City staff have estimated that future project management costs and change orders will exceed the available funds in the Fire Station Replacement Program (F13000800).

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.60.

Economic Impacts: None

Environmental Considerations: The Community Development, Environmental Services Manager has determined the project is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines, Section 15332, which provides an exemption from CEQA review for qualified infill projects. A Notice of Exemption was filed on January 15, 2019.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: Augmentation of the expenditure budget for the Fire Station 14 Project in the amount of \$2,000,000 will fund continued project management under the extended project schedule and allow staff to recommend change orders under the normal course of construction.

Financial Considerations: The project was funded through a combination of sources, including the General Fund (Fund 1001), the Measure U Fund (Fund 2401), the River District Impact Fee Fund (Fund 3212), and the 800K/L Merged Downtown TE Fund (Fund 3820). With Council approval to appropriate the IGT commitment of General Fund balance in the amount of \$2 million to the Fire Station Replacement Program (F13000800), sufficient funding will exist within the program to complete construction and cover related project management costs.

Local Business Enterprise (LBE): D.L. Falk Construction, Inc. is not an LBE, but has subcontracted with Townsend & Schmidt Masonry, Top Notch Mechanical, Inc. and Alcal Specialty Contracting, Inc. to exceed the minimum LBE participation. Townsend & Schmidt Masonry will provide masonry services. Top Notch Mechanical, Inc. will provide heating, ventilation, and air conditioning services. Alcal Specialty Contracting, Inc. will provide insulation services.

RESOLUTION NO. 2021-

Adopted by the Sacramento City Council

BUDGETARY ADJUSTMENTS: FIRE STATION 14 (F13000800)

BACKGROUND

- A. The Fire Station 14 Project will construct new Fire Station 14 to replace the existing Fire Station 14, which has exceeded its useful life. The improvements include new on-site and off-site improvements and a new 10,374 square foot fire station with three apparatus bays, and accommodations for 10 fire personnel.
- B. A notice to proceed under Construction Contract C2019-1831 was issued to D.L. Falk Construction, Inc. on March 4, 2020, at the early stage of the COVID-19 pandemic. Construction was allowed to continue on Fire Station 14 as essential and critical city infrastructure, consistent with local orders.
- C. Construction of new Fire Station 14 is anticipated to be complete in December 2021.
- D. Change Orders No. 1 and 2, totaling \$383,065, have been executed.
- E. Poor soil conditions, design and construction challenges, and ongoing impacts from labor and material shortages due to the pandemic have lengthened the project delivery schedule, creating additional project management and general conditions expenditures not originally anticipated in the project budget. A total of 154 calendar days have been added to the project delivery schedule. City staff have estimated that future project management costs and change orders will exceed the available funds in the Fire Station Replacement Program (F13000800).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to appropriate the Intergovernmental Transfer (IGT) commitment of General Fund (Fund 1001) balance in the amount of \$2,000,000 to the Fire Station Replacement Program (F13000800).