



# REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
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Consent  
July 15, 2008

Honorable Mayor and  
Members of the City Council

**Title:** Railyards 5<sup>th</sup> Street Public Parking Garage (V15710000) - (Two-Thirds Vote Required)

**Location/Council District:** Railyards/District 1

**Recommendation:** Adopt a **Resolution** 1) suspending competitive bidding in the best interests of the City; and 2) authorizing the Department of General Services to implement the design-build delivery approach for the project and issue a Request for Qualifications to complete the design and construction of the project.

**Contact:** Yadi Kavakebi, Supervising Architect, 808-8432; Cynthia Kranc, Facilities Manager, 808-2258

**Presenters:** None

**Department:** General Services

**Division:** Facilities and Real Property Management

**Organization No:** 3282/13001511

## **Description/Analysis**

**Issue:** This report recommends that City Council suspend competitive bidding, and authorize the Department of General Services to implement the design-build approach for the Railyards 5<sup>th</sup> Street Public Parking Garage project and issue a Request for Qualifications (RFQ) for design-build teams to complete the project design and submit a Guaranteed Maximum Price (GMP) to construct a multi-level parking structure on the block bounded by 5<sup>th</sup> Street, Stevens Street, 6<sup>th</sup> Street and north of the new Union Pacific track realignment. City Code Section 3.60.170 requires all construction projects be awarded by competitive bidding unless the City Council, by two-thirds vote, finds that the suspension of competitive bidding is in the best interests of the City.

On December 11, 2007, the City Council approved the Development Agreement for the Railyards Project (City Agreement No. 2008-0150, Ord. No. 2007-104) and adopted Resolution 2007-916 approving the business terms for the Railyards Funding Agreement. These documents committed the City to develop the Railyards 5<sup>th</sup> Street Public Parking Garage to assist the overall development of the first phases of the Railyards development project. The developer proposes to develop the first phases of the development project (Phases 1A and 1B.1) by January 1, 2012 and the City is targeting that date for the opening of the garage.

Use of the competitive bidding process on this project would extend completion of the project beyond the January 1, 2012 deadline set forth in the Development Agreement for the Railyards Project.

**Policy Considerations:** The actions recommended in this report are consistent with: 1) City Council's approval of the Railyards entitlement documents; 2) the Development Agreement and the Railyards Business Terms approved on December 11, 2007; 3) the long term City goals of promoting infill development and redeveloping the historic railyards; and 4) City Code Title 3, Chapter 3.60.170(D) by providing the City Council an option to suspend competitive bidding with a two-thirds vote when award is in the best interests of the City.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The Railyards Specific Plan Environmental Impact Report (EIR) addressed the development of the Railyards 5<sup>th</sup> Street Public Parking Garage and its impacts. Mitigation measures were identified in the traffic analysis and adopted. Proceeding with the design-build approach does not require additional environmental review per CEQA Guidelines section 15262. Construction will not begin until the final design has been reviewed and determined to be consistent with the Railyards Specific Plan EIR.

**Sustainability Considerations:** This action supports the City of Sacramento sustainability goals to improve and optimize the transportation infrastructure. The design goal will focus on completing the project with the available budget and achieving Leadership in Energy and Environmental Design (LEED) Silver Certification following completion of the construction.

**Commission/Committee Action:** None

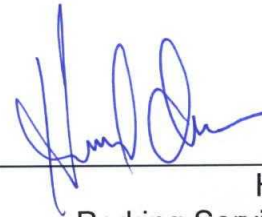
**Rationale for Recommendation:** The design-build delivery approach provides the opportunity to maximize project scope within a limited budget and time frame. It is a faster delivery method than the traditional design-bid-build delivery approach and is consistent with the alternative delivery approaches mentioned in the Smith-Culp Report presented to City Council in February 2003. Utilizing the design-build approach for this project will:

- Allow completion of the project design and construction by the January 1, 2012 deadline;
- Require completion of construction cost estimates at critical stages of the design to confirm the project can be completed within the available budget; and
- Provide more flexibility for the City to respond accordingly should the Development Agreement and Railyards Business Terms change or funding for construction be delayed or withdrawn.

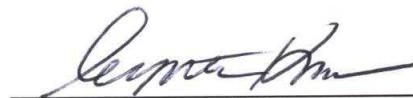
**Financial Considerations:** The design and construction document portion of the design-build contract will be funded from the New Development Capital Improvement Project (CIP) V15710000 and the reserves set aside in the Off-Street Parking Fund for the design and development of new off-street parking facilities. The City is not committed to authorizing construction by approving the design-build delivery approach. Total cost and a GMP will be presented to the City Council for approval prior to any construction activity related to the parking structure and related facilities.

**Emerging Small Business Development (ESBD):** The selected design-build team will be required to achieve the City's 20% ESBD goal during the design phase of the project and submit a letter committing to achieve the City's goal of 20% ESBD participation in the construction phase of the project as well. As of May 31, 2008, the Department of General Services has achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully Submitted by: \_\_\_\_\_



Howard Chan  
Parking Services Manager



Cynthia Kranc  
Facilities Manager

Approved by: \_\_\_\_\_



Jerry Way  
Director of Transportation

Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

for Ray Kerridge  
City Manager

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**RESOLUTION NO.**

Adopted by the Sacramento City Council

**July 15, 2008**

**SUSPENDING COMPETITIVE BIDDING AND AUTHORIZING THE USE OF THE DESIGN-BUILD DELIVERY APPROACH FOR THE RAILYARDS 5<sup>TH</sup> STREET PUBLIC PARKING GARAGE (V15710000)**

**BACKGROUND**

- A. On December 11, 2007, the City Council approved the Development Agreement for the Railyards Project (City Agreement No. 2008-0150, Ord. No. 2007-104) and adopted Resolution No. 2007-916 approving the business terms for the Railyards Funding Agreement. These documents committed the City to develop the Railyards 5<sup>th</sup> Street Public Parking Garage to assist the overall development of the first phases of the Railyards development project. The garage will be located along 5<sup>th</sup> and 6<sup>th</sup> Streets just north of the realigned railroad tracks (See Exhibit A).
- B. On June 5, 2008, the City Council adopted Resolution No. 2008-354, authorizing staff to proceed with the conceptual design phase of the proposed Railyards 5<sup>th</sup> Street Public Parking Garage.
- C. The developer proposes to develop the first phases of the development project (Phases 1A and 1B.1) by January 1, 2012 and the City is targeting that date for the opening of the garage.
- D. It is necessary to implement the design-build approach to complete the parking garage by January 1, 2012.
- E. Chapter 3.60.170 of the City Code allows the City Council to suspend competitive bidding when it finds, by a two-thirds vote, that suspension is in the best interests of the City.

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

- Section 1. It is in the best interests of the City to suspend competitive bidding, and competitive bidding is hereby suspended for the use of the design-build delivery approach for the Railyards 5<sup>th</sup> Street Public Parking Garage.
- Section 2. The Department of General Services is authorized to implement the design-build approach for the project and issue a Request for Qualifications for design-build teams to complete the design and construction of the project.

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Exhibit A

