

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: SAN JOSE NEW CITY HALL
SECURITY SYSTEMS

DATE: 08-04-04

Approved

Katy Allen

Date

8/6/04

Council District: Citywide

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

- (1) Finding that solicitation of bids for the installation of tenant improvement security system equipment work for the New City Hall Project would be an idle act under the City's Municipal Code, Section 14.04.170; and,
- (2) Execute a contract change order to Rosendin Electric, Inc., for the installation of security system equipment in the amount of \$715,000.

CEQA: Civic Plaza Redevelopment Plan EIR, Resolution No. 68905, PP98-03-072.

BACKGROUND

On March 9, 2004, Council directed staff to proceed with the procurement of technology, furniture, equipment and relocation services. In addition, a work plan for implementation of individual procurements and cost saving strategies was reviewed and approved by Council.

Included in the work plan is procurement and a cost estimate titled "T9 – Security Systems." The total cost in the T9 project element is estimated at \$1,050,000, which includes procurement of Security Systems (\$800,000) and Final Keying (\$250,000). This action would authorize the expenditure of \$715,000 of the \$800,000 allocation for the full implementation of the security system throughout the facility.

On November 29, 2000 City Council approved staff's recommendation to use the construction manager/multiple prime contracts method of delivery for this project. Under this delivery method, the City contracts directly with multiple contractors rather than a single general contractor. The City's construction manager, Turner/Devcon Joint Venture ("TDJV"), provides the coordination services between the multiple contractors that a general contractor would normally provide between itself and its subcontractors. The multiple prime contracts delivery

method has enabled the City to enter into separate phased construction contracts, thereby allowing certain portions of the project to begin before the project design was complete.

Based on the multiple prime contract delivery method, the New City Hall Project construction documents have been subdivided into 12 bid groups, and TDJV has further divided these bid groups into bid packages. To comply with the City's competitive bidding requirements, each of these bid packages must be separately bid. To date 50 prime contracts have been awarded, including but not limited to electrical work, including infrastructure to support future security systems, to Rosendin Electric ("REI").

Recently, both Richard Meier and Partners, and The Steinberg Group completed the design of their respective portion of the security system for tenant spaces following extensive communications with the City's Security Task Force. These designs build from work already included within REI's contract.

The City's professional construction management, TDJV, advises that it would be substantially more cost efficient to have REI complete the build out of the security systems, as the work is a continuation of and integral to the system being installed under the existing REI contract. Such cost efficiency arises from the following:

- Efficiency in construction by a mobilized contractor who has the knowledge and experience of having worked on the underlying system;
- Efficiencies in construction means and methods because work is sequenced together and tear out of existing improvements is avoided;
- Quality control during the project in the event a problem is experienced with any of the systems;
- Simplicity of having one contractor warrant the entire system and respond to inquiries/problems upon project completion; and
- Best value to the City due to efficiencies in increasing the volume of work and in soliciting costs from an already mobilized contractor.

ANALYSIS

The City's Charter requires that public works projects of \$100,000 or more be let to the lowest responsible bidder after notice. For the New City Hall Project, the Charter requires that under the multiple prime delivery method, each of the separate scopes must be separately bid. Consistent with these requirements, Rosendin Electric was pre-qualified and awarded the Electrical contract.

The City's Municipal Code, Section 14.04.170, does allow for the City Council to award public works projects without bidding under specified circumstances, one being "where solicitation of bids would for any reason be an idle act."

Following an extensive evaluation by the TDJV, and after careful review and consideration, staff recommends, for the reasons enumerated above, that the City Council find that the solicitation of bids for the security system, which connects to the base building work of the above-referenced contract, would be an idle act within the meaning of the Municipal Code.

Staff recommends that the City Council execute the contract change order for the inclusion of the security systems in an amount of \$715,000, which includes cabling, wiring, access card readers and cameras.

PUBLIC OUTREACH

Public Works staff in cooperation with the TDJV is coordinating public outreach for the duration of construction of the New City Hall Project.

COORDINATION

This change order and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Department of Planning, Building and Code Enforcement.

PROJECT LABOR AGREEMENT

The City has become a partner with labor by jointly approving a Project Labor Agreement. This agreement will facilitate enforceable, effective performance by the labor force in a peaceful and open work environment and an absence of delays resulting from labor disruption and disputes.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$715,000

2. COST OF PROJECT:

Construction	\$715,000
Contingency	<u>N/A</u>
TOTAL	\$715,000

3. SOURCE OF FUNDING: 473 – Civic Center Improvement Fund

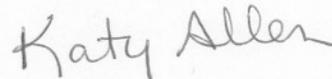
4. **FISCAL IMPACT:** This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn	Amt for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
473	5152	Technology, Furniture, Equip	131569	\$36,800,000	\$715,000	903	06/22/04, Ord. No. 27196

CEQA

Civic Plaza Redevelopment Plan EIR, Resolution No. 68905, PP98-03-072.



KATY ALLEN
Director, Public Works Department