

CITY OF OAKLAND
AGENDA REPORT

2011 JAN 20 PM 7:10

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Oakland Museum of California/PWA
DATE: February 1, 2011

Re: **Resolution Authorizing An Increase In The Construction Manager At-Risk Contract With Cahill Contractors, Inc. In The Amount Not To Exceed Six Million Nine Hundred Twenty Thousand Dollars (\$6,920,000) To Complete Phase 2 And Future Phases Of The Museum Renovations Project (Natural Science Gallery, Education Center, Support Spaces And Other Areas) As Private Or Public Funding Becomes Available For A Total Contract Amount Of Twenty Four Million Dollars (\$24,000,000), And Waiving Further Advertising And Request For Proposals Or Bids For This Contract**

SUMMARY

A resolution has been prepared authorizing an increase in the construction manager at-risk contract with Cahill Contractors, Inc. in an amount not to exceed \$6,920,000 for construction services of the continued phases of the Oakland Museum of California (OMCA) capital improvement project.

The OMCA is currently underway with a major capital renovation project and improvements to its galleries, educational facilities, and public amenities with an estimated cost of approximately \$59 million including gallery exhibition design and fabrication. The renovation is supported through Measure G bond funds of \$23.6 million as well as by a major fundraising campaign conducted by the Oakland Museum of California Foundation (Museum Foundation). Per a no-cost agreement between the City and the Foundation (Resolution No. 78134 C.M.S., October 21, 2003), the Foundation is overseeing the renovation of the building, as required by Measure G.

Phase 1 (Art and History Gallery renovation and expansion, Leak Repair, ADA upgrades, entry and walkway canopy, mechanical and life safety systems upgrades, and support spaces) and Phase 1.5 (Theatre refurbish, Restaurant and Kitchen renovation, Museum Store, Great Hall, additional leak repair and support spaces) were successfully reopened to the public in April 2010. Because Phase 1 (contract amount \$12,580,000) and Phase 1.5 (contract amount \$4,500,000) of the renovation were completed mostly with Measure G funds, the Museum Foundation had the authority to issue a construction contract without Council action.

The OMCA is now preparing to launch the Phase 2 construction for the renovation of the Natural Sciences Gallery, expansion and enhancement of educational spaces, and improvements to other

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visitor amenities. Successful fundraising by the Museum Foundation allows the commencement of Phase 2, with an anticipated completion date of the capital project in 2012.

While Measure G anticipated joint public and privately donated funding, Phase 2 construction is entirely privately funded and therefore does not technically meet the Measure G authorization granted to the Museum Foundation. Council action is needed to continue the renovations with private funding.

Resolution No. 81962 C.M.S., May 5, 2009, allowed the City Administrator to receive and appropriate donated funds raised by the Museum Foundation in the amount of \$10,300,000 or more for the design, construction, City project management, related compliance and permitting costs. As the City is the owner of the Oakland Museum of California building at 1000 Oak Street, all design and construction services are contracted through the City's Public Works Agency (PWA). Cahill Contractors, Inc. was selected as the Construction Manager At-Risk through a competitive proposal process that evaluated firms based on experience with historical landmark facilities, public buildings that are in operation during construction, and museums where construction activity intersects with exhibition and collections activity. Sub-contractors for the construction work are selected through a competitive bidding process and contractors are required to meet the City's contracting program goals.

FISCAL IMPACT

This resolution will authorize the City Administrator to increase the construction contract for the Museum Renovation project with Cahill Contractors, Inc. Phase 2 construction is funded entirely by donated funds; therefore, the City will incur no direct fiscal impact for the construction contract. However, construction must begin quickly to meet the completion date of August 2011. Exhibits are scheduled in the fall of 2011 in spaces impacted by construction, and exhibition installation of the Natural Sciences Gallery must be completed by late Spring 2012 to comply with the terms of grant funding and to meet revenue goals.

The renovation of the Museum will make improvements to an existing aging facility by providing updated and new building systems and finishes in various areas, thereby reducing operations and maintenance resources that could be required if these improvements were not made. The upgraded energy efficient equipment and improved lighting system will reduce energy consumption and result in utility cost savings and potential reduction in maintenance requirements.

BACKGROUND

When the Oakland Museum of California opened in 1969, it was acclaimed internationally as a milestone in museum design. The architecture critic of the *New York Times* in 1968: "In terms of design and environment the Oakland Museum may be one of the most thoughtfully revolutionary

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structures in the world.” Despite its landmark status, the Museum had not undergone any major renovation or reinstallation of its collection in its close to 40 year history.

In 2002, Oakland voters passed Measure G, which included \$23.6 million of bond funding for the Oakland Museum of California. Specifically included in the bond language were provisions to expand, reinstall and renovate the three main collection galleries “to reflect the changing faces and environment of California; to provide enhanced education spaces; to improve visitor services facilities including a main entrance, school group entrance, way finding and other amenities; and acquisition and renovation of collection management facilities.”

The Museum has made substantial progress toward the goals articulated in Measure G and in raising additional private funds to support the institution’s transformation. To date, approximately \$39.1 million has been raised from individuals, foundations, corporations, state and federal agencies, and Museum volunteer constituency groups. Most notable among the funding the Museum has received are a \$7.5 million challenge grant from the Wayne and Gladys Valley Foundation; a \$1 million challenge grant from the Kresge Foundation; \$2.8 million from the National Science Foundation; and a \$300,000 grant from the National Endowment for the Humanities (NEH) for the Museum’s History Gallery, and related curriculum and docent training programs. In awarding the NEH grant, the peer panel noted that the project represents a model for history museums nationally.

KEY ISSUES AND IMPACTS

The renovation of the Oakland Museum of California represents one of the most extensive transformations of a major cultural institution in the history of the East Bay. The overarching goal of the project is to create an institution that makes the cultural and environmental heritage of California accessible, engaging, and relevant to the broadest and most diverse community in the country. Through the renovation of the galleries and the enhancements to the building, the Museum hopes to attract and retain an audience of more than 250,000 annually and to continue to serve as one of the most active and dynamic educational resources in the region.

The project is also supported by one the first major capital campaigns in the Museum’s history and one of the largest fundraising efforts in Oakland’s history. Many donors are making the largest gifts of their philanthropic lives to this campaign and it is also attracting important support from outside Oakland, including grants from major Bay Area foundations as well as state and federal grant agencies.

The Museum’s project represents an opportunity for the City of Oakland to attract visitors to the area, to showcase positive developments within the community, and to highlight the public/private partnership that has made this effort possible.

The Museum has completed Phase 1 which includes the expansion and renovation of the Art and History Galleries; construction of a new entry canopy on Oak Street; a new stairwell canopy; and

an ADA ramp and accessible restroom facilities and Phase 1.5 which includes the relocation of the Museum Store, security and volunteer offices, restaurant and kitchen, refurbishment and installation of a state-of-the-art sound system in the James Moore Theatre, and a second ADA Ramp. Phases 1 and 1.5 reopened to the public in April 2010.

Phase 2 construction must begin February 7, 2011 for completion in August 2011. In addition to extending the existing construction manager at-risk contract to complete Phase 2, staff seeks a waiver of advertising and request for proposals or bids for further work for the construction management. Proposals for all phases of the work were advertised and solicited prior to the commencement of the renovations. The City and contractor negotiated to add Phase 2 to the contract when additional private funding became available. The reinstallation of the Natural Sciences Gallery must begin by August 2011 in order to move back exhibits that are packed in storage in other gallery spaces, in which temporary exhibitions have been scheduled for Fall 2011. Further, terms of major grant funds for the Science Gallery call for completion of the exhibition installation by late Spring 2012. Therefore, it is crucial that construction meet the August 2011 completion date.

PROJECT DESCRIPTION

Phase 2 includes the renovation and reinstallation of the Gallery of California Natural Sciences and expansion and enhancement to the 10th Street entry and adjacent education facilities designed to improve the Museum's ability to serve its large audience of school children.

Phase 2 construction must begin February 7, 2011. The Natural Sciences gallery and some education spaces will be closed for approximately six months. The new 10th Street entry and education facilities will be available for use for Museum events, programs, and school tours by fall 2012. The Museum is planning a grand reopening of the Natural Sciences Gallery in late Spring 2012 following approximately nine months of exhibit reinstallation that will begin after basic construction of the spaces is completed in August 2011.

The overall renovation project represents a strong and successful public/private partnership between the City of Oakland and the Oakland Museum of California Foundation. PWA personnel have worked very closely with Museum staff and Foundation Board leadership on all phases of the project and the joint submittal of this report between PWA and the Museum reflects the strong working relationship that has been established as part of this project.

SUSTAINABLE OPPORTUNITIES

Economic: The project will generate business tax, sales tax, and other revenues for the City for work on the project. The project will provide the opportunity to use local contractors, which offer employment to Oakland residents, thereby strengthening the local economy.

Environmental: It is important to note that the Oakland Museum of California was an early model of a “green building”. Phase 1 has received its LEED Silver Certification. A combined Phase 1.5 and 2 will seek LEED Silver Certification. The new Natural Sciences Gallery exhibits also explicitly promote conservation and stewardship messages.

Social Equity: The project will benefit the community at large by providing increased amenities for large groups in its Education Center improvements.

DISABILITY AND SENIOR CITIZEN ACCESS

Improvements to be made through the building renovation and galleries will ensure their accessibility to visitors and staff with disabilities. In addition to compliance with the Americans with Disabilities Act and other non-discrimination laws, accessibility to the galleries will be improved through interpretive aids, such as closed captioning of all multimedia elements.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approves this resolution authorizing the City Administrator to increase the construction manager at-risk contract with Cahill Contractors, Inc. in the amount not to exceed \$6,920,000.00 for a total contract amount of \$24,000,000, without further advertising and request for proposals or bids for the work.


ACTION REQUESTED OF THE CITY COUNCIL

Staff requests approval of the proposed resolution to accept and appropriate the fund donation.

Respectfully submitted,



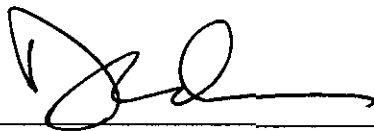
Lori Fogarty, Director
Oakland Museum of California

for 
Vitaly Troyan, Director
Public Works Agency

Prepared by:
Lori Fogarty, Director
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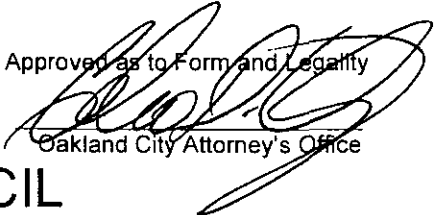
**APPROVED AND FORWARDED TO THE
CITY COUNCIL:**



Office of the City Administrator

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Approved as to Form and Legality

Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING AN INCREASE IN THE CONSTRUCTION MANAGER AT-RISK CONTRACT WITH CAHILL CONTRACTORS, INC. IN THE AMOUNT NOT TO EXCEED SIX MILLION NINE HUNDRED TWENTY THOUSAND DOLLARS (\$6,920,000) TO COMPLETE PHASE 2 AND FUTURE PHASES OF THE MUSEUM RENOVATIONS PROJECT (NATURAL SCIENCE GALLERY, EDUCATION CENTER, SUPPORT SPACES AND OTHER AREAS) AS PRIVATE OR PUBLIC FUNDING BECOMES AVAILABLE FOR A TOTAL CONTRACT AMOUNT OF TWENTY FOUR MILLION DOLLARS (\$24,000,000), AND WAIVING FURTHER ADVERTISING AND REQUEST FOR PROPOSALS OR BIDS FOR THIS CONTRACT

WHEREAS, In March 2002 the voters approved Measure G authorizing the issuance of \$59 million in general obligation bonds for improvements to the Oakland Zoo, Oakland Museum of California and Chabot Space and Science Center, with \$23.6 million of the Measure G funds dedicated to Oakland Museum renovations; and

WHEREAS, Measure G granted the Oakland Museum of California Foundation (Museum Foundation) authority to administer and manage Measure G funds and the design and construction of the Measure G-funded renovations; and

WHEREAS, the museum renovation work was anticipated in two phases, Phase 1 included the Art and History Galleries renovation and expansion, Leak Repair, ADA upgrades, entry and walkway canopy, mechanical and life safety system upgrades and other Museum Foundation-prioritized work and Phase 2 included the Natural Sciences Gallery, Theatre, Museum Store, Great Hall, Education Center, Restaurant, Leak Repair and support spaces, and proposals were solicited for a construction manager at-risk to complete both phases with the initial contract to include Phase 1 and Phase 2 to be added later provided sufficient funds were available; and

WHEREAS, the museum renovation work included an intermediate phase (Phase 1.5) to allow the work on spaces originally planned for Phase 2, but completion ahead of remaining Phase 2 work allowed the successful reopening of the Museum in April 2010 and allows Phase 2 renovations to occur with minimal disruption to public visitation and loss of revenue; and

WHEREAS, a request for proposals was issued for a construction manager at-risk to facilitate design and complete construction of Phases 1 and 2 of the work, Cahill Contractors, Inc. was selected and hired initially to complete the Phase 1 renovations and this work was paid for with Measure G and privately raised funds; and

Contractors, Inc. was selected and hired initially to complete the Phase 1 renovations and this work was paid for with Measure G and privately raised funds; and

WHEREAS, it was anticipated that Cahill Contractors, Inc. would continue on subsequent phases of work as funding became available; and

WHEREAS, the City and Cahill Contractors negotiated extending and increasing the contract to include Phase 2 when additional private funds were raised; and

WHEREAS, the Museum Foundation raised in excess of \$10.3 million in private funds to pay for Phase 2 renovations, and these funds were accepted by the City Council for this purpose in May, 2009 (**Resolution No. 81962 C.M.S.**); and

WHEREAS, the Museum Foundation and staff now recommend extending and increasing the construction manager contract with Cahill Contractors, Inc. to include Phase 2 and any future phases to complete the museum renovations with any combination of private and public capital improvement funds; and

WHEREAS, the City Administrator has determined that this contract is of a professional, scientific or technical and temporary nature, and that it shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City Administrator is authorized to extend the construction manager at-risk contract with Cahill Contractors, Inc. to include Phase 2 and future phases of the Museum Renovations Project, and to increase the contract in the amount of \$6,920,000 for a total contract amount of \$24,000,000, without further advertising and request for proposals or bids for this contract to complete the work; and be it

FURTHER RESOLVED: That the contract amendment shall be approved for form and legality by the Office of the City Attorney and shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF AND PRESIDENT REID

NOES -
ABSENT -
ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California