

FILED
OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND
AGENDA REPORT

2010 JUN 10 PM 5:52

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: June 22, 2010

RE: **Resolution To Allocate An Amount Up To One Million Two Hundred Thousand Dollars (\$1,200,000.00) Of Measure DD Series 2003A Unallocated Interest Funds For The East Oakland Sports Center Project For Additional Construction Contract Contingencies And Associated Capital Expenses**

SUMMARY

A resolution has been prepared to allocate an amount up to one million two hundred thousand dollars (\$1,200,000.00) of Measure DD Series 2003A unallocated interest funds for the East Oakland Sports Center Project (EOSC) for additional construction contract contingencies and associated capital expenses.

Pursuant to Resolution No. 81775 C.M.S., dated February 3, 2009, the City Council authorized the City Administrator to execute a Construction Manager At-Risk (CMAR) contract with Turner Construction Company for the EOSC based on the funds available at the time. The second of two construction contracts with Turner Construction Company to complete the EOSC was executed on August 3, 2009 for a total lump sum amount of \$18,610,000.00. However, it was noted at that time that the total budget amount was only sufficient to provide a construction contingency of \$450,000.00 or 2.4% of the total construction contract amount for change order work. A construction contract contingency budget of approximately 10% is typical and needed for unforeseen conditions and required additional work. Based on the desire to complete construction of the building foundations before the winter season, it was determined to commence work with the understanding that additional funding will later be requested from Measure DD Series 2003A unallocated interest funds for construction contingencies.

The project construction has progressed on schedule and is approximately 45% complete. Due to unforeseen conditions and required additional work, the existing construction contingency funding is close to being fully expended.

The requested increase in funding of \$1,200,000.00 would augment the construction contract contingency to 8.9% of the original construction contract total, which is still below the typical construction contingency of 10% authorized by Council in Section 3-2.1 of the contract special provisions. Based on an analysis of the scope of the remaining work to complete the project, staff is confident that the project can be completed within the additional funding being requested.

Item: _____
Public Works Committee
June 22, 2010

Any unused funding will be returned to the Measure DD Series 2003A unallocated interest funds account.

FISCAL IMPACT

Approval of this resolution will allocate an amount up to one million two hundred thousand dollars (\$1,200,000.00) of Measure DD Series 2003A unallocated interest fund balance (Oakland Trust for Clean Water and Safe Parks, Fund 5320, Capital Project Management Organization 08721, Account 44113) to the East Oakland Sports Center Project, City Project No. C244610.

BACKGROUND

Pursuant to Resolution No. 81775 C.M.S., dated February 3, 2009, the City Council authorized the City Administrator to execute a Construction Manager At-Risk (CMAR) contract with Turner Construction Company for an amount not to exceed \$19 million for construction of the EOSC. On June 17, 2009 a construction contract was executed for a lump sum amount of \$585,800.00 for utility relocation and on August 3, 2009 a construction contract was executed for a lump sum amount of \$18,024,200.00 to complete the EOSC project. The total construction contract amount is \$18,610,000.00.

Currently, a total of \$22,017,695.00 has been allocated for the EOSC and includes \$9,350,000.00 from Measure DD, Oakland Trust for Clean Water and Safe Parks Bond, \$3,167,695.00 from Measure I, Oakland General Obligation Bonds for Parks, \$2,400,000.00 from State Proposition 40, 2002 Resources Bond Act, \$2,000,000.00 from Oakland Redevelopment Agency and \$5,100,000.00 from Measure WW Regional Open Space, Wildlife, Shoreline and Park Bond.

This project is the first phase of implementing the EOSC master plan. The current project is described in the "PROJECT DESCRIPTION" section below. Future construction phases of the EOSC, which are not currently funded, will include a two-basketball-court gymnasium with an indoor elevated running track, an outdoor competitive swimming pool, soccer/baseball fields and additional parking facilities.

KEY ISSUES AND IMPACTS

The construction of the EOSC started with a total budget amount that was only sufficient to provide a construction contract contingency of \$450,000.00 or 2.4% of the total construction contract amount of \$18,610,000.00. A construction contract contingency of approximately 10% is typical and needed for unforeseen conditions and required additional work.

The project construction has progressed on schedule and is approximately 45% complete. Due to unforeseen conditions and required additional work, the existing construction contingency funding is close to being fully expended. Unforeseen conditions to date include conflicts encountered in installing underground utilities and drainage facilities as well as additional

requirements by PG&E. Required additional work includes modifications to the foundation, structural steel and electrical/mechanical facilities. Additional design work is also required to implement these construction changes.

The increase in funding of \$1,200,000.00 would increase the total construction contract contingency to 8.9% of the original construction contract total, which is below the typical 10% change order limit authorized by Council in Section 3-2.1 of the contract special provisions. Based on an analysis of the scope of the remaining work to complete the project, staff is confident that the project can be completed within the additional funding being requested. Any unused funding will be returned to the Measure DD Series 2003A unallocated interest funds account.

PROJECT DESCRIPTION

The EOSC is being constructed on Edes Avenue between Jones Avenue and Phelps Street at Bill Patterson Park (formerly named Brookfield Park). The project will include a total of 22,500 square feet of building floor space; 6,000 square feet on the upper level and 16,500 square feet at ground level. The building includes a 9,000 square foot indoor swimming pool building (natatorium) with a 3,500 square foot indoor recreational swimming pool, changing/locker rooms and rest rooms, a reception area with meeting rooms and offices, an aerobics/dance room, a multi-purpose room/learning center and a fitness center. An 85-space parking lot is also included.

SUSTAINABLE OPPORTUNITIES

Economic: The project will generate business tax, sales tax, and other revenues for the City by those firms who work on the project.

Environmental: Environmental factors and opportunities have been considered and incorporated to the extent feasible. The consultants and contractor will be required to achieve a LEED silver rating in the design and construction of the facility by maximizing recycled content materials in the products, waste reduction, energy conservation, and integrating other environmental opportunities. The water for the recreational swimming pool will be heated by solar thermal panels mounted on the roof of the natatorium.

Social Equity: The EOSC will provide new social opportunities and services to the community with much needed aquatic and recreational facilities for all ages and abilities and will provide a venue for building community cohesiveness and community pride.

DISABILITY AND SENIOR CITIZEN ACCESS

The EOSC will be in full compliance with the physical access requirements of the Americans with Disabilities Act ("ADA") by providing equal access to the facility.

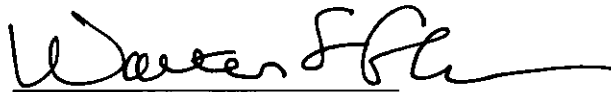
RECOMMENDATION AND RATIONALE

Staff recommends that the Council approve the resolution in order to provide funding necessary to complete the project as originally proposed.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution to allocate an amount up to one million two hundred thousand dollars (\$1,200,000.00) of Measure DD Series 2003A unallocated interest funds for The East Oakland Sports Center Project for additional construction contract contingencies and associated capital expenses.

Respectfully submitted,



Walter S. Cohen
Director
Community & Economic Development Agency

Reviewed by:

Michael J. Neary, P.E.
Deputy Director, Community & Economic
Development Agency

Prepared by:

Lyle Oehler
Project Manager, Project Delivery

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:



Office of the City Administrator

Item: _____
Public Works Committee
June 22, 2010

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JUN 10 PM 5:52

APPROVED AS TO FORM AND LEGALITY


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION TO ALLOCATE AN AMOUNT UP TO ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00) OF MEASURE DD SERIES 2003A UNALLOCATED INTEREST FUNDS FOR THE EAST OAKLAND SPORTS CENTER PROJECT FOR ADDITIONAL CONSTRUCTION CONTRACT CONTINGENCIES AND ASSOCIATED CAPITAL EXPENSES

WHEREAS, the East Oakland Sports Center is a much needed project to provide a wide variety of year-round recreational opportunities for all ages and all abilities; and

WHEREAS, pursuant to Resolution No. 81418 C.M.S., the City Administrator executed two Construction Manager At-Risk contracts with Turner Construction Company for a total lump sum amount of \$18,610,000.00 for construction of the East Oakland Sports Center Project; and

WHEREAS, the East Oakland Sports Center Project currently includes a construction contract contingency of \$450,000.00 which is 2.4% of the total construction budget, and due to the additional costs of unforeseen conditions and required additional work this construction contract contingency amount will not be sufficient to complete the project as planned; and

WHEREAS, the requested increase in funding of up to \$1,200,000.00 would augment the construction contract contingency to 8.9% of the original construction contract total, which is below the typical 10% change order limit authorized by Council in Section 3-2.1 of the contract special provisions; and

WHEREAS, the East Oakland Sports Center Project has received \$9,350,000.00 in Measure DD funding; and

WHEREAS, funding is available from Measure DD Series 2003A unallocated interest funds (Oakland Trust for Clean Water and Safe Parks, Fund 5320, Capital Project Management Organization 08721, Account 44113) in an amount up to one million two hundred thousand dollars (\$1,200,000.00) for construction of East Oakland Sports Center Project; and

WHEREAS, any unused funding will be returned to the Measure DD Series 2003A unallocated interest funds account; now, therefore be it

RESOLVED: That the City Council approves the allocation of an amount up to one million two hundred thousand dollars (\$1,200,000.00) of Measure DD Series 2003A unallocated interest funds for the East Oakland Sports Center Project, City Project No. C244610, for additional construction contingency funding and associated capital expenses; and be it

FURTHER RESOLVED: That the City Attorney's Office has reviewed this resolution as to form and legality and a copy is kept on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California