



DATE: December 3, 2019

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt Resolutions Authorizing the City Manager to Execute an Agreement with Silverado Contractors, Inc. in an Amount Not-to-Exceed \$3,901,150, for the Deconstruction of the City Center Building and Appropriate Funds

RECOMMENDATION

That Council adopts the attached resolutions authorizing the City Manager to negotiate and execute a contract with Silverado Contractors, Inc., for the deconstruction of the City Center Building in an amount not-to-exceed \$3,901,150, and authorize the expenditure of up to \$4,401,150 for the total project, including contingencies (Attachment II) and appropriating funds for the project (Attachment III).

SUMMARY

Staff recommends that Council authorize the City Manager to negotiate and execute a contract with Silverado Contractor, Inc., for the deconstruction of the City Center Building. Based on the materials sampling and testing conducted, hazardous materials abatement is required for the building prior to deconstruction. On November 5, 2019, five (5) proposals were received for the Project. Staff recommends award of contract to the most qualified contractor, Silverado Contractors, Inc., in an amount not-to-exceed \$3,901,150.

BACKGROUND

The City Center Building, the former home of Hayward's City Hall located at 22300 Foothill Boulevard, has been vacant for close to thirty years and is situated in between two other City-owned parcels near downtown Hayward. The City recently reacquired the property from the previous owner to preserve it for future redevelopment to help revitalize the downtown.

In July 2019, structural engineering consultant, West Coast Code Consultants (WC3) was hired to perform a structural assessment of the building. WC3's report declared the building to be "dangerous" as defined in Section 302 of the Uniform Code for the Abatement of Dangerous Buildings. The building is structurally deficient and will require significant seismic retrofits and upgrades to bring the building up to current standards. Various methods of seismic retrofits cost from \$5.4 million to \$9.7 million without accounting for architectural, mechanical, plumbing, electrical, fire suppression, fire alarms, and Americans with Disabilities Act (ADA) accessibility costs.

Due to the age of the building, environmental consultant Monte Deignan & Associates was retained to perform inspection, sampling, and testing of the building materials. The report concluded that the building contained some asbestos and polychlorinated biphenyls (PCBs). Asbestos containing materials include elevator doors and fire rated doors, vinyl sheet flooring, wall and ceiling joint compounds, and HVAC insulations. PCBs were found in the perimeter window rubber gaskets and caulking from Floors 3 to 11. Any abatement of hazardous material must be performed by hazardous material abatement contractors in accordance with regulations and requirements of the Division of Occupational Safety and Health of the Department of Industrial Relations.

DISCUSSION

Given the age and condition of the building and presence of hazardous materials, the best course of action is to deconstruct the building. After the completion of the deconstruction work, the contractor will backfill the project site, repair any damaged adjacent hardscape, hydroseed all disturbed areas, and install permanent security fencing around the project work limits.

On September 25, 2019, staff released a Request for Proposals (RFP) soliciting responses from highly qualified contractors with experience in deconstruction of high-rise buildings. On November 5, 2019, the City received a total of five (5) proposals. Staff reviewed and ranked the proposals in accordance with established criteria. The cost proposals varied from \$3,487,145 to \$5,224,000. Ferma Corporation, of Newark, submitted the lowest proposal in the amount of \$3,487,145, which is 27% below the Engineer's Estimate of \$4,800,000. Silverado Contractors, Inc., of Oakland, submitted the second lowest cost proposal in the amount of \$3,546,500, which is 26% below the Engineer's Estimate. After careful review and consideration, factoring in experience, project understanding, and overall project cost, Silverado Inc. was determined to have submitted the most complete proposal and is the most qualified contractor for this project. All documents and licenses are in order. Staff recommends award of the contract to Silverado Contractors, Inc., in the amount of \$3,901,150, which consists of Silverado's proposed project cost plus 10% contingency (\$354,650) to pay for potential change orders. Further, staff recommends that Council authorize the Director of Public Works to expend up to \$4,401,150, inclusive of contract costs, administrative costs, and permit and inspection/testing costs, for this project.

ECONOMIC IMPACT

The future development of the City Center parcel is likely to have a positive long-term economic impact.

FISCAL IMPACT

The project costs for the abatement and deconstruction of the City Center Building are as follows:

Contract	\$3,546,500
Contingency (ACO)	\$ 354,650
Administration	\$ 150,000
Permit Fees, Inspection & Testing	<u>\$ 350,000</u>
Total	\$4,401,150

There are insufficient funds in the project budget to cover the cost of abatement and deconstruction of the City Center Building. A transfer and appropriation of \$4,401,150 from the General Fund (Fund 100) to the Capital Fund (Fund 405) is required to complete this phase of the project. City staff recommends that Council consider any subsequent sale proceeds of the assembled City Center properties be used to reimburse the General Fund for these costs, if such a future action is approved by the City Council.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. This agenda item supports the following goals and objectives:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 1: Increase neighborhood safety and cohesion.

Objective 2: Foster a sense of place and support neighborhood pride.

SUSTAINABILITY FEATURES

The action taken for this agenda report will facilitate the future development of the assembled City Center properties. Furthermore, this project requires the contractor to recycle all construction and demolition debris as a result of the project. The method of deconstruction will be to pick apart the building in pieces, and not by implosion which is the typical method of deconstructing high-rise buildings. This method is chosen to minimize adverse impacts on nearby residents and businesses.

ENVIRONMENTAL REVIEW

Consistent with the California Environmental Quality Act (CEQA), a consistency checklist (Attachment V) was prepared by Placeworks, which determined that the proposed deconstruction of the City Center building is exempt from the preparation of a new

environmental document under CEQA Guidelines Section 15168(c) because: (1) the proposed project would not result in new or substantially more significant environmental effects than what was analyzed in the previously Certified EIR for the Downtown Specific Plan; (2) it is within the geographic area analyzed for environmental impacts in the Certified EIR prepared for the Downtown Specific Plan pursuant to Section 15168(c)(2); and incorporates all feasible mitigation measures identified in the Certified EIR pursuant to Section 15168(c)(3).

PUBLIC CONTACT

City staff has been in direct communication with residents within the vicinity of the project area, and area residents are awaiting the City's action to deconstruct the vacant building.

NEXT STEPS

Begin Work

January 6, 2020

Complete Work

September 22, 2020

The schedule includes asbestos and PCBs abatement work and deconstruction.

Prepared by: Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager