



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

December 11, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. RFP PW18-058 for design-build services for a public safety parking structure; award a contract to W.M. Klorman Construction Corporation, of Woodland Hills, CA, in the amount of \$9,279,400, with a 10 percent contingency in the amount of \$927,940, for a total contract amount not to exceed \$10,207,340; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments;

Authorize the Public Works Department to initiate the realignment of the public safety fueling facility and the preliminary design for a new fleet maintenance facility, previously housed in the Lincoln Garage, in an amount not to exceed \$500,000;

Express intent to issue a bond to finance up to \$13,300,000 for the costs associated with the construction of a public safety parking structure including project management, relocation of the fuel station, preliminary design of a police fleet maintenance facility, and costs associated with issuing a bond; and, authorize the City Manager, or designee, to execute all necessary documents to bring forth a bond for City Council consideration; and,

Increase appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$13,300,000, offset by expected borrowing proceeds and funding from the Fleet Fund. (District 2)

DISCUSSION

City Council action is requested to enter into a contract with W.M. Klorman Construction Corporation (Klorman), for design-build services for a public safety parking structure located next to the Public Safety Building (Attachment A – Parking Structure Plan) to support parking needs for the City's public safety fleet and staff vehicles.

The City broke ground on the Downtown Long Beach Civic Center (Project) in July 2016. Included in the Project was the demolition of Lincoln Park to make room for a state-of-the art Main Library facility. Construction of the Main Library has resulted in a temporary loss of 450 parking spaces, and a long-term loss of approximately 150 spaces. Additionally, the Police

Department's South Division was revitalized as a result of Measure A funding, adding 100 staff and 50 fleet vehicles to the Civic Center area. As a short-term solution, staff initiated offsite parking leases at multiple Downtown locations.

To address the parking demand, staff looked into constructing a parking garage on the surface lot of the Public Safety Building. The Public Safety Building surface lot can currently accommodate 71 spaces, it was determined a four-level garage could be constructed on the surface lot and accommodate approximately 334 spaces, a net increase of 263 spaces.

A Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on January 29, 2018, and 4,664 potential proposers specializing in design-build of parking garages were notified of the opportunity. Of those proposers, 102 downloaded the RFP via the City's electronic bid system. The RFP was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority, and women-owned business groups. Two proposals were received on March 13, 2018. Of those two proposers, none were a Minority-owned Business Enterprise (MBE) or a Long Beach business (Local), one was a Women-owned Business Enterprise (WBE), and one was a Small Business Enterprise (SBE).

Proposals were evaluated by a multi-departmental panel based on the proposer's experience on the delivery of similar design-build projects, design approach, proposed project schedule, key personnel, and cost proposals. After a thorough review and evaluation process, which included reference checks and interviews, Klorman (not a MBE, WBE, SBE, or Local) was determined to have met all requirements of the RFP; displayed a full understanding of the complexity of the City's parking needs from a design and construction perspective; identified an experienced project team; and, provided a project schedule reflecting the proposer's understanding of the City's unique circumstances and needs. The proposal cost includes a 3 percent adjustment for a December award.

During the design of the parking garage, staff will also review the need and layout for the public safety fueling facility and public safety fleet maintenance facility. The size, location, and operational layout of these new facilities is unknown, and would be included in the preliminary design. Providing design consistency between the garage and any future fleet facility is key and driving the timing of this effort. Once the preliminary design is complete, a decision about moving forward with construction of new facilities will be reviewed further. This work may be completed through an amendment to the Klorman contract, or by a different contractor.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 415 Long Beach vendors were notified to submit proposals, of which 7 downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

City Bond Issue to finance the Public Safety Parking Structure

The City plans to issue a bond to finance the public safety parking structure. The principal amount of the bond will not exceed \$13.3 million, and includes the costs of construction, project management, relocation of the fuel station, preliminary design of a police fleet maintenance facility, and costs associated with issuing a bond. The term of the bond will be for 20 years, a term that will end well before major improvements are expected to be needed. Staff is expected to return to the City Council for approval of the bond issuance by May 2019.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 15, 2018 and by Budget Analysis Officer Julissa José-Murray on November 8, 2018.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP PW18-058 and award a contract concurrently is requested on December 11, 2018, to ensure the contract is awarded before the expiration of the bid.

FISCAL IMPACT

The total cost of the project is estimated at \$13.3 million, which includes the contract award amount not to exceed \$10.2 million, the cost for design, construction management, labor compliance, and project oversight. The Project cost is supported by a City bond, not to exceed \$13.3 million in principal amount. The annual debt service payments will be approximately \$976,000 beginning in FY 20. The bond will be structured for 20 years with level debt service payments and will be paid by the General Fund through the Debt Service Fund. The bond will initially be secured by a pledge of other City assets until construction is completed. Once the public safety parking structure is operating, the parking structure will be pledged to secure the bond. It is expected that the bond will be issued in May 2019. Any cash needs for the public safety parking structure in the interim will come from a temporary release of funds currently dedicated for projects that are not under construction. The cash will be replenished upon the closing of the bond. Although extremely unlikely, if for any reason the City is not able to issue a bond, General Fund reserves will be used to pay for the Project and/or funding for planned projects will need to be deferred to pay for the Project until a bond can be issued.

The net cost to the General Fund, beginning in FY 20 is expected to be approximately \$826,000 annually due to an existing appropriation of approximately \$150,000 currently included in the Police Department budget for parking needs. The net increase in public safety parking created by this new parking structure will allow this budget to be reallocated to offset a portion of the garage debt service. Funding for the remaining debt service costs will be resolved as part of the FY 20 budget development process.

An appropriation increase in the amount of \$13,300,000 is requested in the Capital Projects Fund (CP) in the Public Works Department (PW) to fund the public safety parking structure including construction, project management, movement of the fuel pumps, preliminary design of a small police fleet maintenance facility, and costs associated with issuing a bond.

HONORABLE MAYOR AND CITY COUNCIL

December 11, 2018


Page 4

The Public Works Department will be responsible for the operation and maintenance of the public safety garage after completion of construction, but will charge the Police Department through a Memorandum of Understanding (MOU). The annual operating and maintenance cost is currently estimated at \$130,000 and includes facility maintenance, elevator and utilities services, parking access equipment software updates, and parking operator management. The Police Department anticipates it should be able to offset the operating and maintenance costs starting in FY 21 with reductions in other areas of the budget. The environmental review will occur in alignment with completion of design and site plan review.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG A. BECK
DIRECTOR OF PUBLIC WORKS



JOHN GROSS
DIRECTOR OF FINANCIAL
MANAGEMENT



ROBERT G. LUNA
CHIEF OF POLICE

APPROVED:



PATRICK H. WEST
CITY MANAGER

CB:AW:JC

ATTACHMENT: PARKING STRUCTURE PLAN