



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 12, 2024

TO: Mayor and Councilmembers

FROM: Public Works Department

SUBJECT: Contract for the Construction of the Santa Barbara Police Station
[Resolution; Agreement]

RECOMMENDATION: That Council:

- A. Award a contract to ProWest Constructors Inc., for their best value proposal of \$95,998,811 for the construction of the new Santa Barbara Police Station; and authorize the Public Works Director to execute the contract and approve expenditures up to \$9,600,000 that may result from contract change orders or extra scope of work that may be required; and
- B. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Authorizing the Finance Director and Risk Manager to Acquire and Execute Policies of Insurance and Other Agreements Necessary to Implement an Owner-Controlled Insurance Program for the New Police Station Construction Project.

EXECUTIVE SUMMARY:

A new police station for the Santa Barbara Police Department has been a top-priority capital improvement endeavor for decades. The existing Police Headquarters was constructed in 1959 for a staff of 85, which has grown to 212 sworn and non-sworn employees. The existing Police Headquarters does not meet the seismic codes for essential services buildings, nor does it meet the current building code and accessibility standards. Currently, police staff are in four separate locations. The Santa Barbara Police Station Project (Project) commenced after approval of Measure C in November 2017.

Following an extensive needs assessment, an exhaustive site selection process landed on the Cota Commuter Lot (119 East Cota Street) as the preferred location. Design was completed by a team lead by a local architecture firm (The Cernal Collective LLP) and an architecture firm specializing in public safety facilities (McClaren, Wilson & Lawrie, Inc.). The Project will consist of a new three-story, ±65,000-square-foot Police Station, and an ±85,000-square-foot new secure parking structure. The new Santa Barbara Police Station will bring the entire Police Department under one roof and provide the necessary space, technology, and training facilities to support the department and community for many years to come.

The Project has received all required approvals to begin construction. The construction plans and specifications for the Project were included in a Request for Proposals sent to six pre-qualified contractors in August 2024. Two proposals were received and have been evaluated using a Best Value selection process that includes price and predetermined selection criteria as factors in determining the successful contractor. Both cost proposals exceeded the Engineer's estimate of \$90M. The proposal received from ProWest Constructors Inc., was determined to provide the best value and is recommended for award.

A groundbreaking ceremony is tentatively planned for November 18th. Construction is anticipated to begin in full force in January 2025. The site preparation and construction process are estimated to take approximately 24 to 27 months, which includes approximately 3 to 4 months for the earthwork phase and 23 to 24 months for the construction phase. Following construction and contractor demobilization, there will be a final phase of relocating existing operations into the new facility.

DISCUSSION

The Project will bring the entire Police Department under one roof and provide needed space, technology, and training facilities. Police operations will remain the same as they presently exist at the current locations, including Investigative/Internal Operations Division, Field Operations Division, Community Support Services Division, and Common Areas (public lobby, multi-purpose meeting rooms, staff break rooms, fitness room, and locker rooms). The public lobby area will be separated from the secure staff areas.

The new facility is anticipated to increase recruitment and retention of employees, improve morale, and provide the department with a facility that is commensurate with the technological requirements of community policing today and in the future. The new facility will accommodate future growth of the department, it will be flexible in its ability to accommodate any future changes within the department, and it will be a welcoming space for our community.

SELECTION PROCESS:

The selection process for a general contractor to construct the Project began with a pre-qualification process in late 2023 to prequalify contractors capable of building an essential services building of this scope and magnitude. Through this process, a total of six contractors were pre-qualified to receive the Request for Proposals (RFP) package. In March 2024, the City's Charter was amended through Measure A that allowed for different procurement methods, such that this Project was no longer subject to a low-bid proposal. It was determined that using the Best Value method would provide the City the opportunity to select a contractor based on multiple criteria which include, but are not limited to, cost alone.

Two pre-qualified general contractors submitted best value proposals: ProWest Constructors Inc., (ProWest) and Swinerton Builders. The proposals were reviewed independently by a panel and scored relative to the selection criteria laid out in the RFP document. In addition, interviews were conducted with each general contractor and the review panel.

The selection criteria outlined in the RFP were as follows:

Selection Criteria	Maximum Points
Relevant Experience	200
Contract Schedule	150
Demonstrated Management Competency	200
Labor Compliance	100
Safety Record	250
<u>Interview</u>	<u>100</u>
Total Possible Qualification Points	1,000

These review panel scores were averaged for a Qualification Points total. The Best Value calculation was derived from dividing the proposed cost by the average of Qualification Points received. The lowest calculated number equals the Best Value.

Best Value Score = Proposed Cost / Average of Qualification Points Received

ProWest's proposal produced the overall Best Value. Staff recommends that Council authorize the Public Works Director to enter into a contract with ProWest.

The Project, as an improvement in an amount greater than \$5,000,000, must include a project labor agreement. Therefore, the Community Workforce Agreement (CWA) between the City and the Tri Counties Building and Construction Trades Council is included as a requirement of the construction contract with ProWest. The City will retain the services of a CWA administrator to monitor compliance throughout construction.

OWNER CONTROLLED INSURANCE PROGRAM

The City is also embarking on an Owner Controlled Insurance Program (OCIP) for the Project. The OCIP will include Workers' Compensation and Employer's Liability Insurance, Commercial General Liability Insurance, Builders Risk Insurance, and Excess Liability Insurance in connection with the Project. Under the OCIP, the City will acquire comprehensive insurance for the Project. The parties eligible to enroll in the OCIP are the Contractor selected and Subcontractors performing a portion of the work on the Project site. The OCIP will be managed by Alliant Insurance Services Inc., ("Administrator") on behalf of the City. The OCIP is one of many services provided by PRISM, a joint powers agency of which the City is a member, that provides insurance and risk financing services to public agencies. Alliant Insurance Services Inc. provides brokerage services for PRISM and will provide OCIP brokerage and Administrator services to the City through PRISM. The intent of the OCIP is to purchase certain insurance policies for protection of some, but not all, of

the insurable risks that exist on a construction project. The City will pay all insurance premiums for the coverage. In addition to the actual cost savings for the coverage provided, the added savings for the Project and for the City is in the efficiency and time savings that the OCIP administration provides by having a single Administrator handling claims and addressing issues. The time savings to the Project directly translates into cost savings. This model has been very successful in other jurisdictions, such as Santa Barbara County. The proposed resolution will authorize the Finance Director and Risk Manager to execute necessary insurance policies and other agreements to implement the OCIP.

BUDGET/FINANCIAL INFORMATION:

The Project has been funded by Measure C since its inception. Funding for the construction phase of the project will shift to debt financing, via the issuance of 30-year lease revenue bonds that will be implemented in December 2024 and available for the Project that same month. From that point forward, the costs for this Project will be paid through the bond proceeds. Repayment on the bonds (rent) cannot begin until the project is complete (2027) and available for use. The required debt services are anticipated to initially represent approximately 24.0% of the annual Measure C revenue budget. However, while the annual debt service expense will remain the same, it is anticipated that the percentage of Measure C funds utilized to pay the debt service will decrease as Measure C revenue increases over time.

There were several additional and unanticipated owner-furnished items compared to the original budget. Those include IT equipment and communications, OCIP, construction management, and escalation due to inflation over the past 18 months. Most of the owner-furnished items and any additional contingency needed for the Project will be funded through future Measure C appropriations during upcoming annual budget cycles.

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ESTIMATED TOTAL PROJECT CONSTRUCTION COST

Construction Costs – General Contractor	\$95,998,811
Owner-Furnished Items – Furniture, Fixtures, & Equipment	5,500,000
Construction Management	2,315,000
Construction Administration & Design	1,375,000
Inspections and Testing	550,000
Conditions of Approval Compliance	461,000
Permits & Fees	346,000
Owner Controlled Insurance Program (OCIP)	3,166,879
Subtotal	\$109,712,690
Construction Contract Contingency	9,600,000
Other Project Contingency – Non Construction	2,000,000
Total Project Construction Cost to Completion	\$121,312,690

In addition to the future costs detailed above, the project has incurred expenses to date for all architecture and engineering, planning and design services, that total approximately \$7.5 Million, funded entirely by Measure C sales tax revenues.

SUSTAINABILITY IMPACT:

The new Zero Net Energy (ZNE) police station will result in a large reduction of the building’s carbon footprint and energy consumption as compared to a conventional building and the current facilities. As a ZNE facility, the police station will generate as much energy as it consumes through renewable energy sources like solar power, supporting the City’s commitment to carbon neutrality. This initiative meets the City’s Municipal Green Building Policy and reflects Santa Barbara’s broader goals of enhancing energy efficiency, reducing greenhouse gas emissions, and promoting environmental stewardship. Additionally, the station’s sustainable design and operational practices set a standard for future municipal projects, demonstrating leadership in creating resilient, energy-efficient infrastructure while enhancing public safety.

A copy of the contract may be requested from the Public Works Department for public review by contacting PWInfo@SantaBarbaraCA.gov.

ENVIRONMENTAL REVIEW:

The City of Santa Barbara's Public Works Department prepared a Mitigated Negative Declaration (MND) that examines environmental impacts as required per the California Environmental Quality Act (CEQA) of the Project (PLN2020-00627). The MND has been prepared in accordance with CEQA (Public Resources Code §21000 et seq.) and the State CEQA Guidelines (Title 14, California Code of Regulations, §15000 et seq.). Significant environmental effects identified in the MND which are anticipated as a result of the Project include impacts related to the following CEQA analysis of Air Quality, Biological Resources, Cultural and Tribal Resources, Geology and Soils, Hazards and Hazardous Materials, Land Use and Planning, Noise, and Water Quality and Hydrology. The MND includes proposed mitigation measures to mitigate potentially significant impacts to a less than significant levels. Based on the mitigation measures identified in the MND, it has been determined that the project will not have a significant effect on the environment after mitigation measures are incorporated. The MND was adopted on July 19, 2022, by City Council.

PREPARED BY: Brian D'Amour, P.E., City Engineer/BH/sk

SUBMITTED BY: Clifford M. Maurer, P.E., Public Works Director

APPROVED BY: Kelly McAdoo, City Administrator