



San Bernardino County Employees' Retirement Assoc.

Staff Report Details (With Text)

File #: 19-466.1 **Name:**

Type: Action Item

File created: 8/15/2019 **In control:** BOARD OF RETIREMENT

On agenda: 9/5/2019 **Final action:** 9/5/2019

Title: Approve proposed contracts for tenant improvements at 348 West Hospitality Lane, as follows:

- UPRITE Construction in the sum of \$824,445.29 for general construction services;
- Level 3 Project Management in the sum of \$29,483.35 for construction management services;
- Sisson Design Group in the sum of \$44,900.00 for architecture and design services (unused funds carryover from existing approved contract);
- SI Testing in the sum of \$32,029.50 for data center generator connection services;
- Western Audio Video in the sum of \$95,922.20 for audio/visual services; and
- G/M Business Interiors in the sum of \$283,157.76 for furnishings.

In addition, approve a project contingency of \$63,892 for a total project cost not to exceed \$1,373,830, approve the use of contingency funds not to exceed \$222,000 to cover project costs in excess of Fiscal Year 2019-20's budgeted amount; grant the Chief Executive Officer authority to sign change orders up to \$5,000, and approve the joint authority of the Board Chair and Chief Executive Officer to approve change orders that exceed \$5,000.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A: Floor Diagrams, 2. Exhibit B: GC Bid Proposals, 3. Exhibit C: SI Testing Generator Proposal, 4. Exhibit D: Western Audio AV Proposal, 5. Exhibit E: GM Furniture Proposal, 6. Exhibit F: Sisson Design Fees

Date	Ver.	Action By	Action	Result
9/5/2019	1	BOARD OF RETIREMENT	Approved	Pass

FROM: Joe Michael, Chief Information Officer

SUBJECT: Tenant Improvements

RECOMMENDATION:

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excess of Fiscal Year 2019-20's budgeted amount; grant the Chief Executive Officer authority to sign change orders up to \$5,000, and approve the joint authority of the Board Chair and Chief Executive Officer to approve change orders that exceed \$5,000.

BACKGROUND:

Over the last year, staff has reviewed SBCERA's physical layout at 348 West Hospitality Lane, business processes, and internal equity to determine required changes need to help staff and the organization meet its Strategic Plan and Priorities. The proposal brought forth today is a culmination of that analysis, designed to balance identified needs, greater utilization of current space and efficiency, staff collaboration, member service, enhanced security and functionality. Staff proposes to utilize six separate vendors to accomplish the tenant improvements, which are further discussed below.

Construction Recommendations

SBCERA recommends the relocation of the reception and waiting area, along with the member consultation rooms and security station to the first floor. This move will serve three primary purposes:

1. Members will be greeted from the main entrance to the building, and will not have to travel upstairs. In the event of an emergency, members will have an easier time evacuating the building should the need arise.
2. SBCERA will secure the third floor as no deliveries, guests, or any other non-SBCERA persons will be on the floor without prior notice or security check.
3. SBCERA can expand the third floor breakroom to provide much needed break seating within the building. With a possible total capacity of 67 people on the third floor, the current break room is under sized for the lunchtime break period with a maximum seating capacity of only 8-10 people. The expansion will double capacity.

In addition to the relocation and expansion on the third floor, staff recommends the replacement of the carpet, paint, and cubicles that have not been updated since SBCERA purchased the building over 17 years ago. The carpet contains rips and tears that present tripping hazards to staff. Modifying the paint color slightly will work better in conjunction with the legislatively required LED lighting to create a brighter more naturally lit area. A minor amount of common area repainting will be required in order to keep a continuous paint color and due to the removal of three unnecessary hallway doors. The cubicle model is no longer being manufactured, and parts cannot be found. In addition, we are looking to provide a more ergonomically correct work space that also increases the efficiency and effectiveness of our teams by placing them in collaborative configurations where applicable. The construction plans support the furniture designs and proposed purchases, which are described more fully below.

To provide additional room for the Information Services Department (IS Dept.) for which additional positions have been approved and are currently being recruited, staff recommends dividing the training room/formal hearing room into two separate rooms. The southern room will serve as additional seating for IS Dept. staff, while the northern room will be converted into a conference room area, that will allow for public seating during Board and Committee meetings. The latter will retain the bi-directional communication with the Boardroom and may still serve as overflow when necessary.

Staff also recommends the replacement of the Boardroom kitchen countertops, cabinets, flooring, and dais countertop. All areas include the originally installed components except for a small area of

vinyl composite tile (vct) flooring in the hallway leading from the kitchen to the Board chambers. Areas of the kitchen countertops and cabinets have sustained water damage and several drawers and doors are broken. As a substantial amount of the floor needs to be replaced to accommodate new cabinets and it is unclear the extent of the water damage, staff recommends replacing the flooring in the Boardroom kitchen, which is 17 years old.

In terms of the dais countertop, there are several areas underneath where the supports have given way, or the sections have separated, requiring alternative methods to support the dais in those areas. In addition there are several areas where the surface has broken away creating sharp edges. Replacing the countertop will allow for a more durable surface, with multiple top mount power outlets, shareable presentation displays, electronic voting devices, and the redistribution of the microphones to ensure all Trustees and applicable staff have the same area at the dais.

General Contractor Bids

American Realty Advisors (through the construction project manager Level 3) attempted to secure bids from at least three general contractors, however, all but two general contractors declined to provide a bid due to high workloads. Two bids were received and are summarized below:

General Contractor	Uprite Construction	Esplanade
Base Costs		
1st Floor	\$ 505,636.80	\$ 519,800.00
3rd Floor	\$ 294,795.52	\$ 485,630.00
Total Base Bid	\$ 800,432.32	\$ 1,005,430.00
Soft Costs		
Plan Check/Permit	\$ 24,012.97	\$ 30,162.90
CM Fee	\$ 29,483.35	\$ 35,372.84
Total Soft Costs	\$ 53,496.32	\$ 65,535.74
Grand Total	\$ 853,928.64	\$ 1,070,965.74
Less Removal of bid portion associated Level 3 Construction Management Service (reflected separately):		
Contract Total	\$ 824,445.29*	\$ 1,035,592.90

Recommended Vendor for General Contracting: UPRITE Construction

Proposal Price: \$824,445.29*

Selection Rationale: SBCERA recommends awarding UPRITE Construction the contract to perform tenant improvements to the first and third floors at 348 West Hospitality Lane. UPRITE Construction provided the lowest bid out of the two general contractors who submitted bids.

*In the version of this item that went to the Administrative Committee, staff had removed the portion of UPRITE's bid that related to both the data center generator connection and the construction management, which are noted separately below. Subsequent to that meeting, staff confirmed that UPRITE had not included the data center generator connection, and therefore, staff has added that

portion back into their bid and project totals.

Recommended Vendor for Construction Project Management: Level 3

Proposal Price: \$29,483.35

Selection Rationale: American Realty Advisers (ARA) has worked extensively with Level 3 Project Management, and highly recommends they provide project oversight for this project. Level 3 has a proven track record with ARA of ensuring projects are completed on time and with minimal disruption to the client. ARA has chosen Level 3 to provide project management for all significant building enhancements they and Madison Marquette will be undertaking here at 348 West Hospitality Lane over the next several fiscal years, and by incorporating SBCERA's project, the overall project management costs to all parties is decreased.

Data Center Generator Connection Recommendation

With the initiative to increase member and employer self-help tools and offerings via our web portals, SBCERA is looking to increase its business continuity solutions. Staff recommends installing an external generator connection and placing the SBCERA data center, its dedicated AC units, fire suppression system, and vendor installed internet equipment on a generator bypass switch. In the event the building loses utility power for an extended period of time, staff will have a service agreement in place that will provide us with a mobile generator within a specified timeframe. Once connected the generator will keep the SBCERA data center running, allowing for external access and internal server functions until utility power is restored, or alternative plans are enacted.

Proposal Price: \$32,029.50

Recommended Vendor: SI Testing

Selection Rationale: SI Testing provided a proposal outside of the bids received by the general contractors. Their proposal is specific to the generator connection only. After discussion with various electricians and engineers, staff contends that SI Testing's approach provided the least amount of modifications to the work that was previously done, and took advantage of more automatic services minimizing the amount of manual steps, thus increasing the likelihood for an successful cutover should that be needed in the future.

Audio & Video Recommendation

SBCERA desires to provide an environment that is conducive for trustees, staff, and guests, and has evaluated ways to make the audio and video (A/V) components of the meetings more comprehensive, easier to view/hear, and have higher quality.

Staff recommends the following A/V improvements to the Boardroom:

- Install presentation screens positioned between each Trustee but angled as to not block their line of sight of any presenter or audience member. These screens will provide the ability to view presentations or if enabled follow along with the Board agenda. The screens will also be removable as to not clutter the surface when not needed.
- Install electronic voting displays, and support those trustee with their own tablets/devices with a way to make their votes electronically. By recording votes electronically using the new electronic agenda management system, the minutes will be easier and faster to accurately produce.
- Correctly space out the microphones, as well as implement new microphones with easier mute/unmute buttons and greater clerk control. The Microphones will also be removable so only the required number will be placed for any given meeting.

- Add additional large display screens to the walls for easier viewing by the members and one in front of the presentation table facing the trustees. All displays by default will be synced to present the same information at all times. The current dropdown/popup displays are too small to view presentations and training materials, and staff believes a more contemporary solution is appropriate.
- Add a new recording device to the main control system to sync audio recordings to our agenda. Those recordings would be posted to our website with the linked agenda items and available to the public.

Proposal Price: \$95,922.20

Recommended Vendor: Western Audio Video

Selection Rationale: Western Audio Video has been SBCERA's A/V vendor for more than a decade. In that time we have established a strong partnership that has resulted in continued improvements and efficiencies in the way we conduct meetings and has minimized the amount of travel staff partake in as we turn to video teleconferencing options. We have been unable to find any other vendor in southern California that is capable of designing and implementing the complex communication and system integrations we require. They are used by many government agencies including the County of San Bernardino, and are the recommended vendor of Granicus in this region when integrating Legistar with A/V equipment for external delivery. Staff believes their pricing is fair and recommends a sole-source contract.

Furniture Recommendation

Furniture Proposals

Furniture Vendor	Proposal Costs
G/M Business Interiors	\$ 283,157.76
Tangram	\$ 325,900.00

Recommended Vendor: G/M Business Interiors

Selection Rationale: SBCERA engaged three furniture vendors deemed suited to provide products that are a balance of quality and price, and have proven to last 10-15 years. Of the three vendors, two provided proposals. SBCERA recommends selecting G/M Business Interiors to provide the new cubicles for the third floor as well as the first floor reception and IS staff area as they have the lowest estimated cost, and their offerings will integrate seamlessly with existing furniture.

Architecture/Design/Fees

At the March 7, 2019 regularly scheduled Board meeting, the Board of Retirement approved a contract with Sisson Design Group to provide construction, spacing, and pricing plans to be used as part of the budget process. At the end of the fiscal year 2019, SBCERA had only been invoiced for \$7,090 of the estimated \$51,990.00 total contract cost. The remaining \$44,900 has been included as part of this action item, ensuring we have the necessary funding to honor the previously agreed upon contract.

Total Estimated Project Costs:

Construction	Architect / Design / Fees	Data Center Generator	Audio / Video	Furniture	5% Contingency	Total Cost

\$ 853,928.64*	\$ 44,900	\$ 32,030	\$ 95,922	\$ 283,158	\$ 63,892	\$1,373,830*
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Attached as Exhibits B - E are the proposals from the recommended vendors. If approved by the Board, staff anticipates permit filing to begin in late September with the construction beginning in late October to early November. Conclusion should be first quarter of next calendar year. Staff has included a project contingency of \$63,892 in the event that general contracting, clean-up, relocation, or other unanticipated field conditions are discovered and need to be timely addressed.

Change Orders

As noted above, a project contingency is appropriate. In order to avoid additional costs associated with project delays and/or mobilization/demobilization expenses, staff recommends that the Board delegate authority to use the contingency funds as follows:

- If the proposed change order is under \$5,000, the Chief Executive Officer will have the authority to execute the change order.
- If the proposed change order is \$5,000 or greater, both the Board Chair and the Chief Executive Officer must jointly approve the change order.

While the Chief Executive Officer has authority to contract up to \$25,000, staff believes that given the sensitive history of construction projects at 348 West Hospitality Lane, the concurrence of the Board Chair will provide appropriate oversight on project activities. Staff will provide a monthly report on the use of any contingency funds for the Board's review.

***Update Subsequent to Administrative Committee Meetings**

Following the Administrative Committee, it was determined that an additional \$32,000 was unnecessarily deducted from the General Contractor bid as the final bid did not include the additional line item. As a result, staff has revised the request for Board approval to add the amount back into the recommended General Contractor's base bid, contingency request, and overall project cost. Those numbers have been identified with an asterisk in the body of the Background section of this staff report.

BUDGET IMPACT:

Most costs for this item were included in the current year administrative budget, although some additional contingency funds are required to fund this item.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Operational Excellence & Efficiency
Quality Employer & Workplace
Prudent Fiscal Management

COMMITTEE REVIEW:

This item was reviewed by the Administrative Committee at its August 15, 2019 meeting and recommends Board approval, with a 4-0 vote.

STAFF CONTACT:

Joe Michael

ATTACHMENTS:

Exhibit A: Floor Diagrams

Exhibit B: GC Bid Proposals and Summary
Exhibit C: SI Testing Generator Proposal
Exhibit D: Western Audio AV Proposal
Exhibit E: G/M Furniture Proposal
Exhibit F: Sisson Design Fees