



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3809

www.kirklandwa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Public Safety Building Executive Steering Committee

Date: April 25, 2013

Subject: Public Safety Building Project – Award Construction Contract

RECOMMENDATION:

It is recommended that the City Council awards the Public Safety Building Project construction contract to Cornerstone General Contractors Inc. of Bothell, WA in the amount of \$23,401,027 and authorize an increase in the project budget of \$451,619 to fund the base scope of work.

The Council may also wish to consider authorizing an additional increase of \$77,473 from REET 1 reserves to fund the expanded ceiling paint alternate in the construction contract.

BACKGROUND AND DISCUSSION:

The design phase of the Public Safety Building (PSB) project was complete at the end of February, 2013. The PSB project was first advertised for bids on March 6, 2013 complete with Supplemental Bidder Responsibility Criteria specific to completion of projects of similar size and scope. At this time of bid advertisement, the engineer's estimated total project cost was \$41,543,107 including a construction estimate of \$22,940,250. With previously approved funding of \$41,552,265, there was a remaining budget balance of \$9,158 left.

The bid opening was held April 5, 2013 with five bids received. The low bid was determined by the base bid amount; however heating, ventilation and air conditioning (HVAC) controls were bid separately as Alternates 5a, 5b and 5c; one of these three alternates must be included in the contract.

Current City facilities use Delta brand HVAC controls. In order to provide a competitive bid and maintain the ability to select a preferred supplier, the bids for HVAC controls were separated from the base bid. Three HVAC suppliers were identified to provide bids and the preferred supplier (Delta) provided the low bid. The base bid combined with the selected bid for HVAC controls (Contract Amount) is as follows:

Contractor	Base Bid	HVAC Control	Contract Amount
<i>Construction Estimate</i>	<i>\$22,512,047.00</i>	<i>\$428,203.00</i>	<i>\$22,940,250.00</i>
Cornerstone General Contractors Inc.	\$22,805,566.00	\$595,461.00	\$23,401,027.00
Construction Services Inc.	\$23,022,375.00	\$492,750.00	\$23,515,125.00
Berschauer Phillips	\$23,245,918.00	\$612,036.02	\$23,857,954.02
Allied Construction	\$23,323,500.00	\$657,000.00	\$23,980,500.00
Pease Construction	\$24,288,096.00	\$603,498.30	\$24,891,594.30

The low bid contract amount for the construction contract is \$23,401,027 and exceeds the engineer's estimate by \$460,777. With a total budget surplus of \$9,158 prior to opening bids a budget shortfall of \$451,619 now exists.

Staff recommends the following funding options to re-balance the budget:

The design and engineering phase is nearing completion, so it is appropriate to reduce the contingency for this phase from \$189,508 to \$50,000, offsetting \$139,508 of the professional services overage.	\$139,508
Interest earnings on the unspent Build America Bond proceeds have exceeded the projected amount. An additional \$130,553 is available to be used toward the project.	\$130,553
After the changes described above, a balance of \$181,558 remains, which is proposed to be funded using REET 1 reserves.	\$181,558
Total	\$451,619

At the April 18th Public Safety Committee meeting, interest was expressed in exploring options for funding the increased jail capacity alternate and the expanded ceiling paint alternate. The most logical funding source for these two alternatives is from the REET 1 reserve, which does have a healthy fund balance of over \$3 million. Staff does not recommend pursuing either one of these alternates as they were originally only intended to be funded if bids came in lower than the engineer's estimate. Additionally, analysis shows that there is no immediate Kirkland need to expand the jail size beyond 55 beds. The attached memo explains the current demand for jail beds in the region. (Attachment A).

At the same April 18th Public Safety Committee meeting, the question of how much more will it cost to construct the jail expansion at a later date was raised. Staff has reviewed the scope of work to complete the jail expansion at a later date. All work below the concrete slab is included in the current base scope of work for the project and the electrical and HVAC systems are sized to accommodate the jail expansion. This limits the amount of additional demolition and coordination with the buildings existing systems. The main cost increase to complete the work at a later date is the re-mobilization cost. 15% of the current construction cost of \$561,516 is estimated for re-mobilization.

The table below summarizes the cost to complete the jail expansion work at a later date in today's dollars.

Current bid amount for the jail expansion alternate	\$561,516
15% for re-mobilization	\$84,230
Total	\$645,746

Depending on when the work is completed additional cost associated with price escalation are expected. Including escalation, the jail expansion cost is expected to range from \$645,746 to \$730,000 if the work is completed within the next five years. Despite these potential cost increases, staff is not recommending completing the jail expansion at this time, given the lack of immediate need, the many jail bed options in the region and the potential opportunity cost of using significant REET 1 reserves while the City is implementing many capital projects.

However, the \$77,473 expanded ceiling paint alternative is substantially less than the jail alternative. If Council should choose to include this alternate in the construction contract, the funding requirement from REET 1 reserves would increase by \$77,473. Adequate funds within the REET 1 reserve exist to accomplish this alternate. A separate fiscal note is attached for Council consideration.

With an award of the contract by City Council at their May 7, 2013 meeting, construction will begin in May, 2013. A ground breaking ceremony is scheduled for Friday May 17th. An eleven month construction period is anticipated with an additional two months to complete punchlist items, close out and move in. Occupancy is expected at the end of June, 2014.

With design and bidding complete, staff has the design information to begin the procurement of furnishings and equipment for the building. To the extent possible, existing furnishings from Court and Police will be used. A list of required equipment and furnishings is currently being developed that identifies long lead items for early procurement.

The public art process is also underway. Staff has hired Perri Howard and Leslie Bain to coordinate the public art process. City representatives from the Police Department and Court, as well as representatives from the Kirkland Arts Commission, have met, toured local facilities with public art and are in the process of selecting artists. Staff will report back to Council this summer with an update to introduce the artists and their concepts.

Attachment A: Jail Capacity Memo

Attachment B: Fiscal Note – Base scope of work

Attachment C: Fiscal Note – Including Ceiling Paint Alternate



CITY OF KIRKLAND
Police Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3400
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MEMORANDUM

To: Kurt Triplett, City Manager
From: Eric Olsen, Chief of Police
Robert Balkema, Jail Manager
Date: April 24, 2013
Subject: Kirkland Jail Future Bed Needs Update

Purpose

The purpose of this memo is to provide the City Manager and Council with the latest data and trends on the size of the jail that will be needed to house Kirkland inmates until the year 2020.

BACKGROUND

The Kirkland Police Department has done extensive studies of incarceration rates and the projected number of beds needed for the future. The studies include reviewing National Standards, Washington State, King County, and Kirkland trends and how changes in mandatory sentencing requirements affect the number of jail beds the City of Kirkland would require. The City has gone through an annexation where it has, in essence, doubled the size of Kirkland. After almost 2 years of post-annexation experience, the Kirkland Jail now has data to provide a clearer picture of what the annexation requirements currently are, as well as local and state wide trends. The Kirkland Jail has taken a very aggressive approach to alternative sentencing and has worked closely with the Court, probation, and prosecutors to help slow the pace of the number of jail beds needed. This has worked very successfully and as an example the last 3 years Average Daily Population is noted below:

- 2010- 55 ADP
- 2011- 41 ADP
- 2012- 44 ADP (First full year of annexation)

This shows that even with doubling the size of the City, the Kirkland Jail has been able to significantly reduce the number of jail beds required.

In the September 20, 2012 memo on Jail Costs Analysis the following chart was provided that illustrated the actual and projected ADP with annexation, less an allowance for populations that have alternate sentencing and populations with special needs.

Year	Estimated ADP (2011 estimate)	Revised ADP
2011-12	54	49
2014	58	53
2016	64	58
2018	68	62
2020	75	68

Currently the Kirkland Jail uses Electronic Home Detention, Trans-Dermal Alcohol Device, Jail Work Release, Work Crew and the Court has just started a Day Reporting System for alternatives to using jail secure beds. While there are costs to the programs listed above, they are significantly less expensive than jail beds.

In the near future the Kirkland Jail will be discussing and trying to implement some additional programs to help keep jail bed requirements to the minimum. These programs are;

HOPE Probation (Hawaii Model) –this program calls for immediate sanctions for probation violations however they are short sanctions and then released back to probation for continued supervision.

Lengthy Jail Time- work with the Court and those inmates that receive lengthy jail time, 90 days or above, and allow the last portion of the jail time to be done on alternative sentence with a much higher supervision level. I.E. 120 day sentence last 30 days can be done on Electronic Home Detention and during the last 30 days they must have x amount of job interviews or attend classes for Alcohol treatment etc.

Video Court- Once the new facility is open the jail will be able to use video and because of this some inmates may be able to get through the process that come to jail just prior to Court. Currently we are unable to do this because of the transportation required.

Another significant piece of these alternatives will not show up until the new facility is up and running. These programs are designed to decrease the rate of recidivism by implementing the programs that were outlined in the July 28, 2011 Memo to Council. These programs include **Help Classes, Internal Work Programs, and Mentoring.**

Contract Jail Beds-Currently the various jails that the City of Kirkland has contracts for “as needed” beds have sufficient supply of empty beds to satisfy the needs for Kirkland inmates.

Conclusion

With the implementation of the programs listed above and the constant review of what is happening in the justice system the following revised projection was prepared.

Year	Estimated ADP	Revised ADP
2012	54	44
2014	58	48
2016	64	48
2018	68	53
2020	75	58

This would allow the City to build the 55 bed jail and put off the expansion to 85 beds for at least 5 years. Strategic use of other jurisdiction’s jail bed capacity along with Kirkland’s initial 55 beds may allow expansion to be put off even longer. Staff therefore does not recommend completing the 85 beds at this time.

Note: All of these numbers continue to assume approximately 20% of the inmates will need to be taken to outside jails for medical and special needs.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Public Safety Building Executive Steering Committee							
Description of Request							
The low bid contract amount for the construction contract of the Public Safety Building is \$23,401,027.00 and exceeds the engineer's estimate by \$460,777. The funding sources to offset this amount are: 1) prior project budget surplus of \$9,158; 2) reduction in design & engineering contingency of \$139,000; 3) additional interest earnings on the BABs balance of \$130,553; and 4) use of REET 1 Reserves in the amount of \$181,558.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$181,558 from REET 1 Reserve for the construction phase of the Public Safety Building Phase III (GG 0013 103). The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	REET 1 Reserves	3,395,489	0	0	219,558	3,175,931	1,071,000
	2013-14 Authorized Use of REET 1 Reserve: \$38,000 for a master plan for Totem Lake Park.						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							
Prepared By	Sri Krishnan, Financial Planning Manager				Date	April 25, 2013	

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Public Safety Building Executive Steering Committee							
Description of Request							
Funding to add the expanded ceiling painting alternate to the low bid contract amount for the construction of the Public Safety Building of \$23,401,027.00 with the use of REET 1 Reserves in the amount of \$77,473.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$77,473 from REET 1 Reserve to add the expanded ceiling painting alternate to the construction phase of the Public Safety Building Phase III (GG 0013 103). The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	REET 1 Reserves	3,395,489	0	0	297,031	3,098,458	1,071,000
	2013-14 Authorized Use of REET 1 Reserve: \$38,000 for a master plan for Totem Lake Park and \$181,558 for the construction phase of the Public Safety Building.						
Revenue/Exp Savings							
Other Source							
Other Information							
Prepared By	Sri Krishnan, Financial Planning Manager				Date	April 25, 2013	