



KENSINGTON FIRE PROTECTION DISTRICT

DATE: July 13, 2022
TO: Board of Directors Special Meeting
 Kensington Fire Protection District
RE: Public Safety Building Seismic Renovation – Construction Award
SUBMITTED BY: Bill Hansell, General Manager

Recommended Action

Having verified the bid materials submitted by the apparent low bidder for the Public Safety Building Seismic Renovation Project, staff recommends that the board award the project to *CWS Construction Group Inc*, and instruct the General Manager to work with district counsel to complete and execute the contract for construction services.

Background Info

Public bids for the **PSB Seismic Renovation Project** were received and opened on Friday, 07/01/2022, at 2:00PM. The bid summary and all materials submitted are attached to this report. In order from lowest to highest, the bids are as follows:

- 1. *CWS Construction Group Inc*..... **\$5,475,000**
- 2. *JUV Inc*..... \$5,957,770
- 3. *S&H Construction, Inc*..... \$5,968,600
- 4. *Southwest Construction & Property Management*..... \$6,544,000
- 5. *S W Allen Construction Inc*..... \$6,642,268

For reference, The low bid of **\$5,475,000** is **\$59,904** below the district's most recent Cost Estimate, dated 02/28/2022, of **\$5,534,904**. Now that bids have been received for both the **Temporary Fire Station** and the **PSB Seismic Renovation Project**, the following **Total Project Cost** has been updated to reflect the low-bids:

PSB Seismic Renovation Construction Cost.....	\$5,475,000
Temp Fire Station Construction Cost.....	\$740,000
PSB Seismic Renovation Design/Engineering.....	\$600,000
Temp Fire Station Design/Engineering Estimate.....	\$90,000
Relocation/FFE/Etc Estimate.....	\$300,000
Sub-Total.....	\$7,205,000
10% Project Contingency (if needed)	\$720,000
Total Project Cost.....	\$7,925,000

The revised **Total Project Cost** of **\$7,925,000** is \$1,575,000 *lower* than the **\$9,500,000** estimate used in NHA Advisor's March 2022 long-term financial analysis. It is also \$775,000 *lower* than the **\$8,700,000** estimate used in their June 2022 analysis. Accordingly, the principal loan estimate dropped from **\$4.6M** (Nov 2021) to **\$3.5M** (Apr 2022) and, finally, to **\$2.16M**. Although affected by rising interest rates since the Nov 2021 analysis, the reduced principal has lowered the total 25-year interest cost from **\$2.30M** to **\$1.36M**. Overall, the **Total Project Cost**

1st attachment

Total Cost for PSB Renovation													
Temporary Costs			Hard Costs				Soft Costs			FF+E	Total		
Unitarian Church			CWS Construction										
	Temporary Facility	Temporary Facility Add On	CWS Bid	CWS Monthly Costs	Estimated CWS Add On	Soft Total	Sub Total	Marjang	Mack 5	Hansell	AM/ZFP	FF+E Cost	Grand Total
Before 2023	\$721,774		\$214,343			\$668,119							
Jan 2023		\$32,210		\$245,767				\$24,899	\$17,890	\$2,646	\$5,675		
Feb 2023		\$28,854		\$171,531				\$13,722	\$17,890		\$9,136		
Mar 2023		\$63,171		\$85,322				\$36,275	\$17,890	\$5,401	\$8,031		
Apr 2023		\$5,157		\$116,435				\$18,415	\$23,265	\$8,138			
May 2023		\$8,579		\$92,086					\$23,580				
June 2023													
Year to Date Total	\$859,745	\$137,971	\$925,184	\$710,841	\$300,000	\$884,397		\$76,736	\$100,515	\$16,185	\$22,842		
Monthly Cost		[\$7,500]	N/A	N/A	N/A			[\$10,000]	[\$22,000]	[\$3,000]	[\$0]		
Add 14 Months					\$300,000			\$140,000	\$308,000	\$42,000	\$0		
Subtotal			\$5,475,000		\$600,000	\$706,278		\$216,736	\$408,515	\$58,185	\$22,842		
Close Temp Facility	\$100,000											\$200,000	
FF+E Facility												\$200,000	
Total Cost	\$1,065,000			\$6,075,000				\$1,590,675				\$200,000	\$8,930,675

TEMPORARY COSTS - Costs for the temporary fire station at the Unitarian Church

HARD COSTS FOR PSB - Includes \$600,000 of possible cost overruns

SOFT COSTS - Assumes 14 months after June 2023 until completion

CLOSE TEMPORARY - Clean up and resurface church parking lot

FF+E - Purchase and install new FF+E

Comparison of 5-Year Budget Forecast Versus Increased Project Costs

Fiscal Year	<u>From Budget</u>		<u>Using Increased Project Costs</u>		
	PSB Capital Expend (000)	General Fund Unassigned (000)	PSB Capital Exp. (000)	Added Project Costs (000)	Adjusted Gen. Fund Unassigned (000)
21-22	515	4,721	515	--	4,721
22-23	2,662	5,264	2,394	--	5,264
23-24	4,712	2,655	5,622	642	2,013
24-25	--	2,580	400	400	1,538
25-26	--	2,332	--	--	1,290
26-27	--	1,869	--	--	827
27-28	--	1,179	--	--	137

The above table shows in red that the current 5-year budget indicates the Unrestricted Fund Balance (representing unrestricted available cash) declines each year because expenditures (primarily El Cerrito fire services) are exceeding revenues from property taxes. This budget forecast assumed that total PSB costs will be unchanged from those forecast in July 2022.

However, there have been a number of cost increases as shown in the previous table and these factors could drive up total project costs by \$1,042,000. This could reduce total unrestricted available cash to \$137,000 by 2027-28, as shown above in green..

It is also critically important to consider that the above estimates are based on available funds as of June 30 of each fiscal year and that there is a 6 month time lag until revenues are received from CC County in December, further increasing the need for available cash.