

STAFF REPORT

Date: October 26, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of Contract Amendment to Plenium Builders, Inc. for the Public Safety Center (PSC) Project - Phase 2 in the amount of \$34,000,000 and to extend the Contract time for completion of Phase 2. (Capital Fund) [Ward 3]

From: Justin George, Associate Civil Engineer

Department: Public Works

Summary:

Council approved funding for the Public Safety Center Project located at 911 Kuenzli Street. Plenium Builders submitted the best bid pursuant to the requirements established in Nevada Revised Statute (NRS) Chapter 338. On October 13, 2021, the bid was awarded to Plenium Construction, Inc. for Phase 1 of the project. The Phase 1 bid and contract included and contemplated an amendment for Phase 2 as the funding became available.

Phase 1 of the PSC began in January 2022 which included the structural improvements for a risk category four building, backbone heating, electrical, fire sprinklers upgrades and the purchase of various longer lead time equipment. Phase 1 will be complete in February 2023. This contract amendment is for Phase 2 improvements, which is the final phase of construction. These improvements will complete the remaining building and site work for a Public Safety Center facility. This facility will improve service delivery for citizens of Reno and provide quality of space for Reno Police Department (RPD) operations. The new Public Safety Center (PSC) will house RPD Headquarters with workspaces for critical social service agencies and evidence storage.

Staff recommends Council approve the contract amendment with Plenium Builders in the amount of \$34,000,000 which includes a \$2,898,039 contingency for unforeseen items encountered during construction and extend the Contract time for completion of Phase 2.

Alignment with Strategic Plan:

Economic and Community Development

Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action:

May 18, 2022 - Council approved award of an Energy Performance Contract with Ameresco Inc. for rooftop solar, battery storage and roof replacement of the west and northeast areas of the Public Safety Center and a park lighting retrofit in the amount not to exceed \$4,749,970.

April 27, 2022 - Council adopted a Resolution authorizing the Finance Director to execute purchase orders and required contracts or Joinder contracts for the purchase of materials, equipment and independent services for the Public Safety Center pursuant to Chapter 332 of the Nevada Revised Statutes.

March 23, 2022 - Council adopted Bond Resolution of Intent and Sale Resolution for tax-exempt general obligations to construct; Public Safety Center and Moana Springs Community Aquatics and Fitness Center and to design the Reno Fire Department Headquarters.

February 23, 2022 - Council adopted a Bond Resolution to begin process to issue tax-exempt general obligations to construct; Public Safety Center and Moana Springs Community Aquatics and Fitness Center and to design the Reno Fire Department Headquarters.

December 8, 2021 - Council adopted a Bond Resolution to begin process to issue tax-exempt general obligations to construct; Public Safety Center and Moana Springs Community Aquatics and Fitness Center and to design the Reno Fire Department Headquarters.

October 13, 2021 - Council approved award of contract to Plenium Builders, Inc. for the Public Safety Center Phase 1 in the amount not to exceed \$19,976,335 for the base bid.

September 22, 2021 - Council approved extending the contract term and increasing the Security Services agreement with Allied Universal Security Services by \$46,834, for a total not to exceed \$171,834.

September 23, 2020 - Council approved a Security Services agreement with Allied Universal Security Services not to exceed \$125,000. November 6, 2019 - Council directed staff to analyze the feasibility of establishing an impact fee system to fund qualified portions of the PSC.

December 4, 2019 - Council accepted a Conditional Pledge Agreement with the William N. Pennington Foundation to construct a PSC in the amount of \$5,000,000.

November 6, 2019 - Council directed staff to analyze the feasibility of establishing an

impact fee system to fund qualified portions of the PSC.

October 2, 2019 - Council approved a consulting agreement with MBA Architecture & Interior Design to design the PSC, not to exceed \$1,874,000 and authorized Staff to enter into a service contract with ABM for facility maintenance service not to exceed \$80,000.

July 24, 2019 - Council authorized staff to purchase the property at 911 Kuenzli Street (RGJ Building) for \$7,000,000 for a proposed PSC and approved staff to contract for maintenance and security of the property during improvements and prior to occupancy of the facility. here is no recent Council action relevant to this item.

Background:

In July 2019, Council authorized staff to purchase the property at 911 Kuenzli Street (RGJ Building). The ±7.71 acre site is fully developed. It includes a primary ±80,770 square foot building that was constructed in 1981. The site is the former location of the RGJ printing, publishing, and news facility. The City of Reno purchased the property in order to relocate and expand the existing RPD headquarters from its current location at 455 East Second Street for police headquarters, critical social service agencies and evidence storage.

The PSC site is located on the northeast corner of the intersection between Kuenzli Street and Sutro Street. The Truckee River is on the north. The existing site does not conform to current (and former) code requirements including landscaping, lighting, parking lot design, etc. The new PSC building is proposed to be ±114,000 square feet in size. It includes many improvements to the existing building and site. The existing site is in the photograph below.



On December 4, 2019, Council accepted the William N. Pennington Foundation Conditional (WNPF) Pledge for the PSC. WNPF is a conditional pledge agreement in the amount of \$5,000,000 for the purpose of constructing a PSC that included Police Headquarters and evidence storage.

On June 14, 2021, Public Works staff submitted a variance application to the City and on August 4, 2021, the application was presented to the Planning Commission. This is an existing site that was developed in the early 1980's. Much of the site's existing parking and landscaping will be preserved; however, updates will be needed to allow for the PSC use, including modifications for site security, fencing, employee parking and required off-street loading dock. Planning Commission approved the variance. Staff sent a memo to Council on August 1, 2021. See attached.

Staff conducted a public bid for the Public Safety Center Project. Two contractors submitted bids, which were received and opened on August 4, 2021. Staff extended the bid opening by an additional 30 days and made several attempts to gain more interest within the community to encourage local bidders. Staff evaluated the two bids received and only one bid met the responsive criteria under NRS Chapter 338. Plenium Builders submitted the only responsive bid. Plenium Builders is a local General Contractor licensed in Nevada, and they have successfully completed one building renovation project for the City within the past five years.

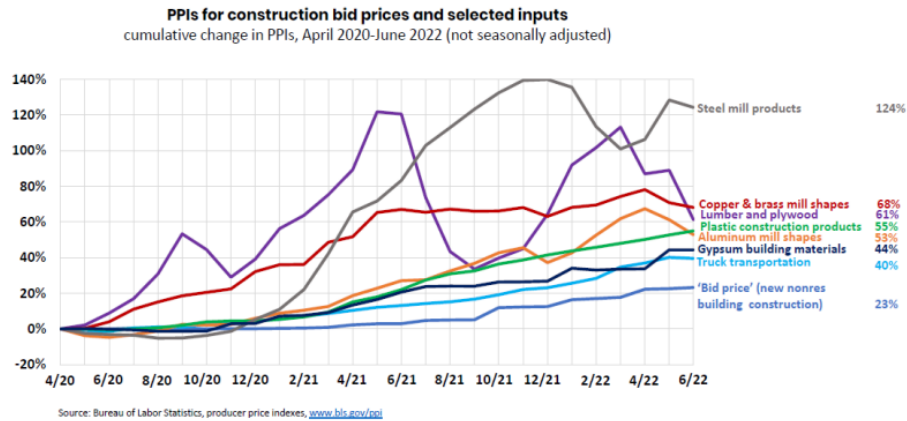
The PSC Phase 1 includes the interior demolition, seismic structural improvements, backbone plumbing/electrical/HVAC and procurement of some long lead equipment and other specialty items.

Council approved the contract award to Plenium Builders for Phase 1 improvements for \$19,976,335, which includes a \$1,000,000 contingency for unforeseen items encountered during construction. City Council was informed that as the tax-exempt general obligation bonding became available; a Contract Amendment to the Plenium Builders Contract for the Phase 2 improvements would be presented for the completion of the facility construction. This amendment was estimated to be \$23,183,483.

Over a year has passed since the approval of PSC Phase 1 construction contract with Plenium Builders. Since the estimate for PSC Phase 2, the construction industry has been buffeted by unprecedented increases in materials costs, supply-chain bottlenecks, and the cost of labor in a tight labor market. Figure 1, pictured below from American General Contractors Association (AGC), shows the magnitude of the increases for seven widely used categories of construction inputs. From April 2020 to June 2022, the Producer Price

Index (PPI) for steel mill products more than doubled (up 124% in 26 months). There were increases of more than 60% in the indexes for copper and brass mill shapes (up 68%) and lumber and plywood (up 61%). PPIs rose by more than half for plastic construction products (up 55%) and aluminum mill shapes (up 53%). The index for gypsum products increased 44% and the PPI for truck transportation climbed 40%. Numerous other indexes rose by more than the 23% increase in the “bid price” index.

Figure 1



Discussion:

The Public Safety Center (PSC) at 911 Kuenzli Street include:

- Reno Police Department Headquarters;
- Police Department and evidence storage;
- Facilities to serve victims and the public; and
- Workspaces for critical social service agencies.

The facility will meet Federal and the State of Nevada’s law, policies and regulations. A rendering of the exterior of the renovated site is below.



PSC Phase 2 includes the improvements on two of the three floors, which will result in approximately 114,000 square feet of PSC space. These improvements include plumbing, electrical, heating, ventilation, air-conditioning, fire protection system, closed circuit security, IT datacom, architectural finishes, lighting, parking lot upgrades, exterior landscaping, exterior lighting and security fencing and parking security.

Over the past several months City staff have worked with Plenium Builders and the design consultants to deliver the most cost-effective and highest-quality project possible. Staff recommends approval of the contract amendment with Plenium Builders for Phase 2 improvements for \$34,000,000, which includes a \$2,898,039 contingency for unforeseen items encountered during construction.

Table 1 below shows the total PSC construction costs for Phase 1 & Phase 2.

Table 1 – PSC Construction Costs

Phase 1	\$19,976,335
Phase 2	\$34,000,000
Total Phase 1 & 2	\$53,976,335

Table 2 below shows the PSC total costs projected which include; the purchase of the property, design of the new facility, construction costs, Ameresco energy performance contract (EPC) which includes new roof, roof-top solar, battery storage, and furniture, fixtures & equipment (FFE), building permitting and construction inspections.

Table 2 – PSC

Property Purchase & Design	\$9,000,000
Plenium – Phase 1 & 2	\$53,976,335
Ameresco - EPC	\$4,749,970
FFE/Permitting/Inspections	\$2,900,000
Total	\$70,626,305

Financial Implications:

Funds for PSC - Phase 2 are allocated in the Capital Fund.

Table 3 – PSC Funding

Pennington Grant	\$5,000,000
Cash Funding	\$33,000,000
General Obligation Bond	\$31,000,000
Police Impact Fee	\$1,000,000
Investment Tax Credit (Energy Performance)	\$800,000
Total Phase 1 & 2	\$70,800,000

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law. The work to be performed in Phase 2 was included in the original bid and the funding is now available to amend the Contract for the completion of the PSC.

Recommendation:

Staff recommends Council approve contract amendment with Plenium Builders, Inc. for the Public Safety Center (PSC) in the amount of \$34,000,000, to extend the Contract time for completion of Phase 2 and authorize the Mayor to sign the contract.

Proposed Motion:

I move to approve staff recommendation.

Attachments: