



Item Number: 17

City Council / Board of Directors

Written Communications

Meeting of: June 6, 2023

Submitted By:

Brian Gengler, City Engineer

Subject:

Wellness Center Project - Phase 1 Supplemental Work Order (SWO) Nos. 10 and 11 and Phase 2 SWO Nos. 4 through 8

Recommendation:

That the Honorable City Council approve for the Wellness Center construction contracts: for Phase 1, SWO Nos. 10 and 11, resulting in an increase not to exceed \$440,686.96; and for Phase 2, SWO Nos. 4 through 8, resulting in an increase not to exceed \$1,845,237.79.

Fiscal Impact:

This action will result in a fiscal impact of \$2,285,924.75. An additional appropriation is not required. The SWOs discussed in this staff report are being funded by American Rescue Plan Act (ARPA) funding available for capital projects. There are sufficient funds available from ARPA to cover the capital expenses for this contract. Please refer to the budget account number, funding source shown below.

Account No.	Funding Source
2770010-55000-97063	ARPA (Capital)

To date, prior to this recommended award, contracts and purchases totaling an estimated \$35,934,400.00 have been approved for this project. Taking this action in accordance with the staff recommendation for this item will increase total contracts and purchases to an estimated \$38,220,324.75.

The Homekey grant requires the City to provide a local funding match of \$4,075,190.00. With this approval, the City will surpass the minimum match requirement by \$11,808,773.75, with expenditures under Homeless, Housing, Assistance and Prevention (HHAP), ARPA, Permanent Local Housing Allocation (PLHA) and Community Development Block Grant (CDBG) funding.

Although the match of \$4,075,190.00 was budgeted under Measure P in Fiscal Year 2022-2023, staff is recommending continued use of ARPA funding in lieu of Measure P at this time. Use of the ARPA funds in this manner is consistent with the funding plan approved by the City Council on July 20, 2021, and authorization granted to the City Manager to reallocate ARPA funds among funding categories.

Based on the new Homekey expenditure deadline of June 15, 2023 (discussed further in the Background section below), project expenditures from Homekey funding will be prioritized before ARPA funds are utilized.

Strategic Plan Goal:

This project aligns with Goal D, Strategy 1 in the 2020 Strategic Plan, “Reduce Homelessness” and “Establish a wellness and recuperative care center as a navigation resource and shelter for homeless and at-risk populations”.

Background:

The Wellness Center, to be located at 16902 First Street in Old Town, will include a non-congregate design of modular housing buildings with 110 separate units allowing a minimum capacity of 170 beds. The Wellness Center will combine a low-barrier emergency shelter, recuperative care facility, medical clinic, interim housing, and wraparound support services.

On September 29, 2021, City Council approved Resolution No. 21-101 authorizing staff to pursue funding from the California Department of Housing and Community Development (HCD) for Homekey Program funds to construct and operate the Wellness Center. On December 15, 2021, the City was notified by HCD of an award in the amount of \$28,004,058.00 under Homekey Round 2 for the Wellness Center project, of which \$23,612,058.00 was awarded to fund capital construction costs and \$4,392,000.00 for operational expenses.

On March 15, 2022, City Council approved an agreement for construction management with Pacifica Services, Inc., in an amount not to exceed of \$2,373,601.00. Also, on March 15, 2022, City Council approved the initial eziQC Sourcewell construction contract/Work Order with Angeles Contractor, Inc. (“ACI”) in the amount of \$4,827,947.76, for the construction of Phase 1 of the Victorville Wellness Center (the “Project”).

On April 1, 2022, construction for Phase 1 started. The scope of the Phase 1 construction includes the following: the VVWRA Interceptor through the project boundaries; grading of the site; a stormwater detention basin; and underground utilities for storm drain, sewer, domestic water, fire suppression, electrical and gas. The project was separated into two construction phases to start construction as soon as feasible with the goal of completing construction by December 15, 2022, which was the original Homekey grant deadline. Phase 1 was started while the plans for the project were being completed. The Phase 1 plans were subsequently approved by the City for grading, drainage, sewer, domestic water, fire suppression, plumbing and electrical.

On April 5, 2022, City Council approved contracts with Connect Homes in the amount not to exceed of \$5,067,607.00 for the manufacturing of 46 modular shelter units, and Urban Bloc in the amount not to exceed of \$1,200,021.00 for the manufacturing of five modular bathroom units. On June 2, 2022, City Council approved a contract with Connect Homes in the amount not to exceed of \$3,385,515.00 for the manufacturing of modular units for four community buildings. On July 19, 2022, City Council approved SWO Nos. 1 through 4 for the Phase 1 construction contract.

The plans for Phase 2 of the Project were subsequently completed to include street improvements, structural work, architectural work, and landscaping. The scope of the Phase 2 construction includes a sewer lift station and grease interceptor; street improvements; a fire access road; a parking lot; building foundations; anchoring the modular buildings to the foundations; electrical wiring; utility connections to the buildings; finishes on the community buildings; food service equipment in the cafeteria building; wood decking for porches and patios; accessible concrete sidewalk and paths; irrigation; landscaping; fencing; gates; and other miscellaneous improvements.

On August 16, 2022, City Council approved a Construction Contract / Work Order with Angeles Contractor Inc., for the Phase 2 construction of the Wellness Center Project in an amount not to exceed of \$15,427,974.88. On the same agenda, City Council approved the purchase, manufacturing, and delivery of the sewer lift station from ROMTEC Utilities in the amount of \$292,277.88. The Phase 2 construction started on October 3, 2022.

On October 4, 2022, City Council approved SWO No. 7 for the Phase 1 construction contract. On December 20, 2022, City Council approved SWO Nos. 5 and 6 for the Phase 1 construction contract. On January 17, 2023, City Council approved SWO No. 1 for the Phase 2 construction contract. On February 7, 2023, City Council approved SWO Nos. 8 and 9 for the Phase 1 construction contract and SWO Nos. 2 and 3 for the Phase 2 construction contract.

There have been delays in the project schedule, mainly due to ground water being higher than expected, revisions to the plans, and delays in procuring various equipment and materials. As stated previously, the original completion date for construction required by the Homekey grant award was December 15, 2022. However, as authorized within the Homekey Standard Agreement, staff requested a time extension from HCD, which administers the Homekey grant program, to allow for the completion of construction beyond the original Homekey construction deadline. On September 1, 2022, staff received notice from HCD that the construction deadline would be extended by 100 days to March 25, 2023. On November 29, 2022, staff received notice from HCD that the expenditure deadline would also be extended by to March 25, 2023, to match the construction deadline. Staff requested another time extension and on April 4, 2023, the HCD notified staff that the deadline for completion of construction was extended until June 15, 2023. Currently, construction is estimated to be complete by the end of August of 2023.

Discussion:

As discussed above, for Phase 1, SWO Nos. 1 through 9 were previously approved by City Council. SWO No. 10 documents additional scope and costs required to relocate a vault for the Southern California Edison (SCE) electrical feed to the project. The relocation resulted from design changes to meet SCE access requirements. SWO No. 11 documents added scope and costs for the following: delays in underground utility work; additional security required for the project site; regrading of the building pads due to design changes on the grading plans; additional clearing and grubbing for detention basins; and replacement of a transformer pad with a different vault type.

Shown in Table 1 below is a summary of the SWO to date for the Phase 1 construction contract.

Table 1

Phase 1 Supplemental Work Order Summary		
SWO No.	Description	Amount
1	Fabric & rock under building pads 5, 6 & 7	\$120,399.24
2	Dewatering system for VVWRA interceptor	\$165,785.99
3	Additional dewatering system for VVWRA interceptor	\$254,552.92
4	Transportation - Connect Home 46 modular shelter units	\$222,388.87
5	Additional work for drainage and water systems	\$447,908.47
6	Credits to SWO Nos. 1, 3 & 4	-\$234,123.74
7	Offsite electrical work for SCE service	\$302,968.86
8	Various items	\$704,326.76
9	General Conditions of Phase 1 Contract	\$32,397.21
10	Relocate SCE vault	\$32,763.01
11	Delays costs. Extra security. Regrade pads due to design changes.	\$407,923.95
	Total	\$2,457,291.54

Shown in Table 2 below is a summary of the Phase 2 construction contract costs.

Table 2

Phase 1 Construction Contract Summary	
Original Contract Amount	\$4,827,947.76
SWO Nos. 1 - 9 (previously approved)	\$2,016,604.58
SWO Nos. 10 - 11	\$440,686.96
Total Contract Amount	\$7,285,239.30

Also discussed above, for Phase 2, SWO Nos. 1 through 3 were previously approved by City Council. SWO No. 4 documents added scope and costs for the onsite work to complete the Connect Homes community buildings, including: roofing and sheet metal; HVAC and piping; mechanical screen walls and access ladders; and changes in flooring

materials. It should be noted that this added scope was not in the Connect Homes contract and was not defined in the Phase 2 construction contract. SWO No. 5 documents added scope and costs for additional concrete and metal frames for under floor vents for the HVAC systems. SWO No. 6 documents added scope and costs for the following: additional surveillance cameras for security after the modular buildings were delivered to the site; crane remobilization due to delays in the community buildings delivery; wood deck extensions; extensions and added insulation for fire protection pipes to modular buildings; added insulation for domestic water pipes to modular buildings; field infill for roof gaps between modular buildings; additional grading and compaction inside building pads footprints; and additional conduits for fire alarm system. SWO No. 7 documents added scope and costs for the following: custom base, wall cabinets and counter tops for the community buildings; added conduits and receptacles; changes in deck beams and joists to fit hardware in Buildings 1 through 7; added trench drains; additional pilaster for fence; changes in latches and backing for doors; additional anchor bolts for building footings; changes in wood decking; changes in grading for fencing; and changes for painting for the community buildings and dog kennel. SWO No. 8 documents added scope and costs for the following: engineered drawings for a sheet pile shoring system for the sewer lift station; additional deck post foundations; fire riser replacements; sheet metal and angles to secure the modular restrooms; makeup air unit model substitution and new roof lined ductworks; additional changes in latches and backing for doors (separate from SWO NO. 7); and fiber expansion boards and joint sealants outside perimeter of Buildings 8, 9, 10 and 11.

Shown in Table 3 below is a summary of the SWO to date Phase 2 construction contract.

Table 3

Phase 2 Supplemental Work Order Summary		
SWO No.	Description	Amount
1	Various changes to modular buildings	\$173,929.87
2	Various items	\$150,220.85
3	Additional sidewalk and waterproofing for buildings	\$57,336.01
4	Additional scope not included in original contract to complete Connect Homes units	\$481,629.94
5	Additional scope for vents, metal frames and concrete for HVAC.	\$82,893.98
6	Added scope and costs related to modular buildings	\$743,461.71
7	Added scope for miscellaneous items.	\$457,334.66
8	Added scope for miscellaneous items.	\$79,917.50
	Total	\$2,226,724.52

Shown in Table 4 below is a summary of the Phase 2 construction contract costs.

Table 4

Phase 2 Construction Contract Summary	
Original Contract Amount	\$15,427,974.88
SWO No. 1 - 3 (previously approved)	\$381,486.73
SWO Nos. 4 - 8	\$1,845,237.79
Total Contract Amount	\$17,654,699.40

Shown in Table 5 below is a summary of the construction contract costs for both the Phase 1 and Phase 2 contracts.

Table 5

Phase 1 & 2 Contracts	
Original Contract Amount	\$20,255,922.64
SWO	\$4,684,016.06
Total	\$24,939,938.70

The backup for the SWOs is included in Attachment A. Staff and Pacifica Services, Inc., have reviewed the added work and associated costs and recommend approval. Staff recommends that the City Council approve for the Wellness Center construction contracts: for Phase 1, SWO Nos. 10 and 11, resulting in an increase not to exceed \$440,686.96; and for Phase 2, SWO Nos. 4 through 8, resulting in an increase not to exceed \$1,845,237.79.

Staff remains available for any questions the City Council may have.

Attachments: A. Supplemental Work Order Backup