



## City Council

# Approval of Bid Award for the Washington Center for the Performing Arts Exterior Repairs Project

**Agenda Date:** 3/19/2013  
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**File Number:** 13-0138

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### Agenda Item:

Approval of Bid Award for the Washington Center for the Performing Arts Exterior Repairs Project

### Issue:

Whether to award the lowest bid, which is 4 percent above the architect's estimate. Timely award will allow the project to proceed on schedule during the Washington Center for the Performing Arts' (WCPA) off-season when the work will cause the least amount of disruption to the Washington Center's performance and booking season.

### Committee Recommendation:

The bid award was not referred to a committee; however the Finance Committee has discussed the project and the necessary financing on numerous occasions.

### City Manager's Recommendation:

Move to award and authorize the City Manager to sign the construction contract for the base bid plus the alternate and additive options to the lowest responsible bidder, Corp Inc. Construction of Salem, Oregon, in the amount of \$3,317,281.55.

### Staff Contact:

Rick Dougherty, Project Manager, Public Works Technical Services, 360.753.8485.

### Presenter(s):

Debbie Sullivan, Director of Technical Services, Public Works Department

### Background and Analysis:

In May 2008, the Public Works Department conducted an assessment of the Washington Center for the Performing Arts (WCPA) and discovered widespread water intrusion was compromising the integrity of the building exterior. It revealed that one of the walls was separating from the building, posing a serious safety risk. At that time, an emergency repair was made to secure it. The emergency repair was designed to last five years. A more detailed study was conducted to evaluate options and it was determined that the entire siding needed to be removed and replaced.

In January 2012, City Council authorized staff to convene a Design Advisory Committee (DAC) to engage the community and recommend a design. In June 2012, three options were presented to Council: Option (A)

'City Scope' which addressed the siding repair and code requirements only; Option (B) 'City Scope Plus' which included an enhanced canopy, glass doors, a new ticket window, and supports for temporary banner; and Option (C) the 'Preferred Design' of the Design Advisory Committee which included all of Option B plus stone cladding above the entry, custom windows, poster display cases, a permanent marquee, and a canopy over the loading area for weather protection.

Under all options, staff also recommended replacing the aging Washington Center roof and rooftop mechanical equipment. Combining these elements into one project would improve project efficiency and minimize disruption to downtown businesses.

Council directed staff to pursue the Preferred Design recommended by the Design Advisory Committee (Option C) if grant funding became available from the Department of Commerce (DOC) Building for the Arts Program. Later that same year, the City learned that the siding repair project ranked first on the Building for the Arts Grant list and would be recommended to receive an \$816,000. In September 2012, the project was submitted to the Governor with a request to include it in the 2013 - 2015 Capital Budget. We are now waiting for the Legislature to develop and appropriate a final Capital Budget.

If the grant is ultimately approved, the funds will be available in September 2013 for reimbursement. The challenge is that the project needs to start before we know about the grant in order to finish construction during WCPA's off-season and address the critical repair. Knowing that a final decision on the grant wouldn't be known until the end of March/April, staff bid the project based on the 'City Scope Plus' (Option B) and requested separate bids for the additional features included in Option C. Based on the low bid, the additional expense to include all of the enhancements in Option C totals \$197,870.

**Neighborhood/Community Interests (if known):**

1. The Washington Center is home to over 20 local artistic partners who use the space for their performances. Completing this project will reinvigorate enthusiasm for the WCPA and serve as an economic stimulant for downtown businesses.
2. Staff is developing a communication strategy in collaboration with the ODA and the Washington Center to communicate with the public, patrons, and downtown businesses. Staff will provide construction updates using Twitter, media releases, public meetings, and site visits.
3. The majority of work is scheduled to occur during the WCPA's "dark season." Staff met with the WCPA to discuss the construction schedule and impacts in order to reconcile construction activities with planned events.
4. Staff is working closely with the adjacent property owners to address specific impacts such as access to the alley, on-street parking, solid waste pickup, and pedestrian access.
5. The travelling public will experience some traffic delays and temporary road closures. The alley, parking spaces, and travel lane in front of the WCPA will be used for staging equipment and materials. A single lane of traffic will be open at all times and every effort will be made to minimize the duration. Construction will most likely take place during Spring Arts Walk. Stephanie Johnson who coordinates Arts Walk has been notified about the lane closure. She, in turn, has notified Earthbound Productions, the group that sponsors the Processions during Arts Walk.

**Options:**

1. Move to award and authorize the City Manager to sign the construction contract for the base bid plus the alternate and additive options to the lowest responsible bidder, Corp Inc. Construction of Salem, Oregon, in the amount of \$3,317,281.55.

Implications:

- a. Constructs the recommended design of the public, the DAC, the Heritage Commission, and the Design Review Board by providing the necessary repairs as well as the additional exterior upgrades (Option C).
  - b. Exceeds the Architect's estimate for Option C by \$125,155. Staff is able to absorb all but \$43,845 within the project budget by lowering the construction contingency to 15 percent. This includes the required 10 percent for bid award plus an additional 5 percent to deal with other issues that may arise during construction.
  - c. Includes \$197,870 of enhanced features that may or may not be covered by a Building for Arts grant (depending on legislative action).
2. Move to award and authorize the City Manager to sign the construction contract for the base bid only to the lowest responsible bidder, Corp Inc. Construction of Salem, Oregon, in the amount of \$3,119,411.33.

Implications:

- a. Constructs Option B given the remaining uncertainty over the Building for the Arts grant.
- b. Exceeds the Architect's estimate for Option B by \$81,959. Staff is able to absorb all of this this increase within the project budget by lowering the construction contingency to 15 percent.
- c. Does not include custom windows and stone cladding (saving \$116,901). Adding them in the future is cost prohibitive and difficult to construct.
- d. Does not include poster display cases and a permanent marquee (saving \$54,687). Deleting them from the project limits the ability of the Washington Center to promote events. A banner will be used in place of a permanent marquee until funds can be raised to replace it.
- e. Does not include a canopy over the loading area (saving \$26,282).
- f. Is not the Design Advisory Committee or Design Review Board's preferred design.
- g. Will meet the City's basic need of protecting the integrity of the building by repairing the siding, replacing the leaking roof, and replacing the aging roof top mechanical equipment.

**Financial Impact:**

Staff researched funding options for this project over the past several months. At this time, there are three sources of funds: (1) Building Repair and Replacement Fund 029; (2) the Building for the Arts Grant from the Department of Commerce; and (3) financing through General Obligation debt.

The budget impact of the WCPA project, including replacing the roof and roof-top mechanical equipment, is \$4,593,423. The design expenses were covered by the Building Repair and Replacement Fund 029. However, there are insufficient City funds to cover the construction. The remaining amount needed is \$4,203,423. The City will issue debt to fund the project. The debt service will be funded through the Building Repair and Replacement Fund. It is estimated that the annual debt payments will be \$300,000 for 20 years.

Since the debt needs to be issued prior to a decision on the state grant, the debt issuance will include the grant amount. If the City receives the \$816,000 grant, the City will make other repairs to City-owned facilities.

**Base Bid w/Tax:** \$3,119,411.33  
**Alternate Bid w/Tax:** 89,266.05

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Additive Bids w/Tax: 108,604.17

**Total Bid w/Tax:** \$3,317,281.55