

Meeting Date:

11/15/11

AGENDA REPORT

City of Santa Clara, California

Agenda Item #

5A.2



Date:

November 8, 2011

To:

Executive Director for Stadium Authority Action
Executive Director for Redevelopment Agency Information

From:

Director of Public Works/City Engineer
Director of Finance/Stadium Authority Finance Director, Treasurer, and Auditor

Subject:

Delegation of Authority to Executive Director of Stadium Authority for Award of Contracts and Approval of Change Orders and Agreements for the Stadium Site Preparation Project (Make Ready Work).

EXECUTIVE SUMMARY:

The currently proposed schedule for the 49ers Stadium Project calls for the “make ready” work to begin in January 2012. The “make ready” work includes, but is not limited to, the relocation of existing utilities such as storm drains, sanitary sewers, electric lines, reclaimed and domestic water lines, additional parking, walkways connecting to the commuter parking lot near the train station, and retaining walls for additional parking on the south side of the proposed stadium. This “make ready” work needs to be completed in order to vacate and remove Centennial Boulevard and start construction on the proposed stadium.

Winzler & Kelly, GHD, civil engineering consultant retained by the 49ers, has submitted the plans for the “make ready” work and City Staff has reviewed and compiled the plans and specification for this work for Stadium Authority approval to advertise as a City project.

In order to meet the schedule for stadium construction, it is recommended that the Executive Director for the Stadium Authority, be delegated the authority to award construction projects to the appropriate lowest responsive, and responsible bidder(s). Since most of the “make ready” work deals with underground utilities, it is also recommended that the Executive Director be granted authority to approve contract change orders up to 15% of the construction amount to manage unknown conditions in the field. Additionally, the Stadium Authority may need to retain specialty consultants for special inspections, testing, and additional design and inspection services during construction. Therefore, it is also recommended that the Executive Director be authorized to retain such consultants as appropriate. A report on all actions taken by the Executive Director can be presented to the Stadium Authority on a bi-monthly (once per two months) basis.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

Delegation of authority to the Executive Director to award construction contracts, approve contract change orders up to 15% of contract amount, and approval to retain consultants to support construction will allow more timely administrative processing of initial work related to the proposed stadium thereby increasing the likelihood of keeping the “make-ready” phase of the stadium project on the proposed schedule. There are no disadvantages.

ECONOMIC/FISCAL IMPACT:

The delegation of authority will result in no cost to the Stadium Authority or Redevelopment Agency other than administrative staff time and expense. The cost of “make ready” work is currently estimated to be

approximately \$10 million. The Stadium Authority's share of funding for "make ready" work will come from the \$4 million cash advance from the Stadium Authority to Forty Niners Stadium, LLC (Stadco) pursuant to the March 21, 2011 Predevelopment Funding Agreement between the Redevelopment Agency, Stadium Authority, and Stadco. The \$4 million cash advance was transferred into a separate Stadco bank account and draws on the advance are subject to approval by the Stadium Authority. The cash advance is also the funding source for the 2011-12 Stadium Authority operating budget of \$1,505,080. Stadco will be providing the additional cash to gross up this account sufficient to cover the difference between the remaining amount of the cash advance and the total remaining cost of the "make ready" work and any other related work.

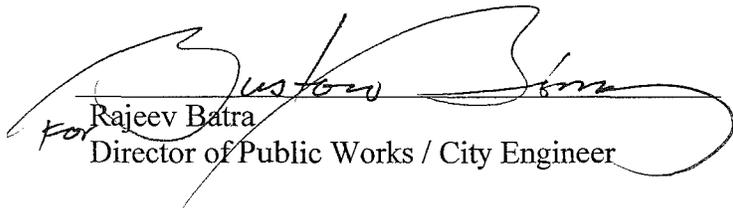
RECOMMENDATION:

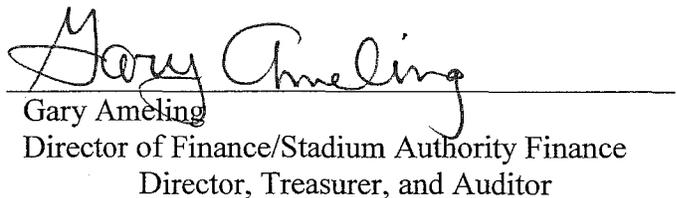
That the Stadium Authority delegates authority for the Stadium Site Preparation Project (Make Ready Work) to the Executive Director to:

1. Award construction contracts to the lowest responsive, and responsible bidders,
2. Approve contract change orders up to 15% of contract amount,
3. Retain consultants to support construction as appropriate, and

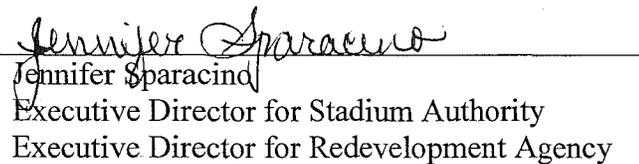
That the Stadium Authority directs the Executive Director to:

1. Provide a report on actions taken on a bi-monthly (once per two months) basis.


For Rajeev Batra
Director of Public Works / City Engineer


Gary Ameling
Director of Finance/Stadium Authority Finance
Director, Treasurer, and Auditor

APPROVED:


Jennifer Sparacino
Executive Director for Stadium Authority
Executive Director for Redevelopment Agency

Documents Related to this Report: None