



City of Palo Alto

City Council Staff Report

(ID # 10777)

Report Type: Consent Calendar

Meeting Date: 11/4/2019

Summary Title: Animal Shelter Modular Building Interior and Foundation

Title: Approval to Execute two Change Orders with Design Space Modular Buildings, Inc. Totaling an Additional \$51,300, to Provide Additional Needed Interior Detail and External Foundation Materials, Decking, Skirting and Related Installation Services for the Animal Shelter Modular Building, for a new Total Not-to-Exceed Authorization of \$351,300, and Authorization of Additional Change Orders Not-to-Exceed \$35,130, Funded From the Animal Shelter Renovation Capital Improvement Program Project (PE-19002)

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

1. Authorize the City Manager or his designee to execute two change orders to Purchase Order Number 4520000035 for the purchase of a modular building from Design Space Modular Buildings, Inc.: the first in the amount of \$2,250 to add needed interior equipment and facilities, and the second in the amount of \$49,050 for additional foundation material, decking, skirting and related installation services (totaling an additional \$51,300, excluding sales tax), for a new, total not-to-exceed authorization of \$351,300 (excluding sales tax) funded from the Animal Shelter Renovation Capital Improvement Program Project, PE-19002, in accordance with the City's agreement with Pets In Need.
2. Authorize the City Manager or his designee to execute one or more additional change orders to Purchase Order Number 4520000035 with Design Space Modular Buildings, Inc. for related, additional but unforeseen work, and for sales tax for change orders 1 and 2, that may develop during the project, in an amount not to exceed \$35,130.

Background/Discussion

In November 2018, Council approved an operating agreement with Pets In Need (PIN) ([Staff Report #9822](#)) to provide full-service shelter operation at the Palo Alto Animal Shelter. The agreement requires the City to provide a new modular office/classroom for PIN.

On February 25, 2019, Council authorized the City Manager to purchase a modular building from Design Space Modular Buildings, Inc. (DSM) in an amount not to exceed \$300,000 ([Staff Report #10057](#)). Prior to that authorization, staff investigated pricing and options for the purchase of a 2,200 square foot modular office/classroom, including obtaining three informal quotes which were very close in pricing. PIN had previously worked with DSM to specify the size and layout of the building required. One of the three informal quotes was from DSM. Therefore, an exemption from competitive solicitation was granted for being impractical under PAMC 2.30.360(b)(2) due to the tight timelines in the agreement with PIN.

Purchase Order number 4520000035 for the modular building fabrication and delivery was executed on July 23, 2019 for \$297,238.19 (which includes sales tax). Following the engineering work by DSM for the modular foundation system, a significant change order developed. The original quote for foundation materials assumed that the soil bearing capacity was 1,500 pounds per square inch (psi). The geotechnical study for the site found that the soil bearing capacity to be only 500 psi. Therefore, the foundation required significantly more material and requires the modular wheels and axles to be removed. Because of the location in the Special Flood Hazard Area (SFHA), the ramp and stair were taller than expected and the skirting around the foundation needed an upgrade to flood-resistant material. The following table summarizes the pending change orders (CO) needed for the modular building:

CO #1	Provide for 400 Amp Panel mounting	\$ 125
	Provide 4x4 J-Box and empty conduit	\$ 65
	Provide tempered glass window in office	\$ 780
	Custom paint building to match existing	\$ 1,280
	CO#1 Total (excluding sales tax)	\$ 2,250
CO #2	Additional foundation T&M per soils report	\$ 22,690
	Provide deck between doors at entrance	\$ 15,340
	Provide translift & labor for setting building	\$ 2,760
	Additional cost to upgrade skirting	\$ 6,910
	Remove all wheels & axles, store under building	\$ 1,350
	CO #2 Total (excluding sales tax)	\$ 49,050
	Subtotal CO #1 and CO #2 (excluding sales tax)	\$ 51,300
	Original Authorization for Modular Building	\$300,000

	Purchase Order	
	Requested contingency	\$ 35,130
	NEW GRAND TOTAL FOR AUTHORIZATION	\$386,430

The recommended Council action also includes a request for an additional 10% contingency (\$35,130) to allow for further related, additional but unforeseen work. Sales tax is excluded from change orders 1 and 2 (attached) but is estimated by staff to be approximately \$5,000. The requested contingency will be used, in part, to pay sales tax when the amount has been finalized.

Timeline

The modular building is currently in fabrication with an expected delivery in December 2019. Site work and utility extensions to accommodate the new building are underway and are expected to be ready for the delivery.

Resource Impact

Funding for the additional change order authorizations is available in the Fiscal Year 2020 Capital Improvement Fund Animal Shelter Renovation project (PE-19002).

Policy Implications

This project is in conformance with the City of Palo Alto’s Comprehensive Plan and does not represent any changes to existing City policies.

Environmental Review

The new modular building is categorically exempt from CEQA guideline Section 15301(e1) as addition to existing structures that will not result in an increase of less than 2,500 square feet.

Attachments:

- Design Space Modular Proposed Change Order 01
- Design Space Modular Proposed Change Order 02



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PROPOSED CHANGE ORDER

To: Bridgette Medved-Perez
 From: Alex Sufi
 Date: September 9, 2019

CHANGE ORDER #: 1

PROJECT REF / AGREEMENT #: 5110

This serves as authorization for the following work to be performed by Design Space Modular Buildings. The description of the work to be completed is as follows:

	Item	Time Impact (Days)	Amount
1	Provide for future 400 amp panel		\$125.00
2	Provide one 4x4 J-box with empty conduit		\$65.00
3	Provide one 4060 tempered glass window in middle office		\$780.00
4	Custom paint the building per provided colors		\$1,280.00
5			
6			
7			
8			
	Total For Change Order		\$2,250.00

Amounts stated above exclude applicable taxes and use fees.

It is agreed that **City of Palo Alto** (Customer) will pay Design Space Modular Buildings at the time of completion of the work for the above-mentioned services. **Please acknowledge this work authorization, and email back to the attention of Alex Sufi.**

Thank You.

Acceptance

Date

Customer PO # (If Applicable)

DSMB Change Order Policy: A change order, or new contract, must be signed for all work that is beyond our originally agreed to scope of work. This applies to all work that the customer should be responsible for paying. This C/O should be done prior to doing the work being ordered. If business sense dictates that it is absolutely necessary to proceed immediately with the work before getting a signed C/O, and the value is less than \$500, then a C/O should be generated and signed as soon as practically possible after approving the work to proceed.

