

**CITY COUNCIL AGENDA ITEM  
CITY OF SHORELINE, WASHINGTON**

<p><b>AGENDA TITLE:</b> Spartan Gym Phase II Bid <b>DEPARTMENT:</b> Parks, Recreation, and Cultural Services <b>PRESENTED BY:</b> Dick Deal, Director</p>
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**PROBLEM/ISSUE STATEMENT**

The purpose of this report is to update the City Council on the recent Spartan Gym Phase II bidding process and to request authorization to proceed with this project. The bid opening for this project was held August 30, 2004. Eight general contractors submitted bids for the project. The low bidder was Cope Construction Co. with a bid of \$537,250. (See Attachment A) Unfortunately, the bid was 30% over the architect's estimate of \$411,983. The low bid plus all design cost, construction management fees, permit fees, taxes, equipment and contingency totals \$783,268. The project budget as approved in the current CIP is \$680,000. The project budget was increased by \$1,927 due to inflation, bringing the total project budget to \$681,927. Given this, an additional \$101,341 will be needed to proceed with the award of this bid.

Since the project is being completed on School District property, and per the Joint Use Agreement between the City of Shoreline and the Shoreline School District, the City of Shoreline would be funding the improvements and the Shoreline School District would be approving the bid and managing the construction. (See Attachment B)

**BACKGROUND**

In August 2000, the City of Shoreline and Shoreline School District entered into a Joint Use Agreement that allowed the shared use of several facilities, with the intent of improving opportunities for community recreation. In mid 2001, the School District completed a \$2,000,000 remodel of the athletic complex at the former Shoreline High School, and in September of that year the City and School District authorized the execution of the Spartan Gym Addendum to the Joint Usage Agreement. This addendum provided the City the opportunity to manage 23,500 square feet of space including a double gym, dance room, weight room, fitness room, offices, lobby space, and ADA accessible restrooms, and locker rooms. All funds for these improvements were funded by the Shoreline School District.

The agreement calls for the City to make improvements to 4,000 square feet of the building as its investment in the Spartan Gym partnership. The Spartan Gym Phase II improvements were intended to complete the City's capital improvement obligation.

Spartan Gym Phase II was designed to transform the current Spartan Gym from an athletic based facility into a "community center" with additional space for classroom activities, kitchen, additional offices, and lobby improvements. (See Attachment C) The

addition of passive recreation space is a great complement to the current active space. This would be accomplished by remodeling two unused and unusable locker rooms into multi purpose recreation space.

Currently staff schedules many classes in the carpeted classroom spaces at the Shoreline Center and would continue to use those classrooms in the future. However, the Phase II classrooms will allow for more flexibility in scheduling as they are designed with hard surface flooring that will accommodate youth art classes, cooking classes, and the rooms have storage for youth sized tables/chairs and craft projects.

Advantages of the Phase II improvements include:

- Addition of two multi-purpose rooms, a kitchen, family restroom, additional office space, and lobby improvements
- An additional 69 hours of program space in each classroom would be available on a weekly basis. Staff estimates that within a year they would programming an average of 30 hours per week per room. Assuming an average of 12 participants per hour of programming this would result in an additional 720 program participants on a weekly basis.
- A facility for youth birthday parties and special activities
- The ability to better meet the needs of families by scheduling a greater variety of activities for various age groups

The project architect, Bill Chaput from Hutteball and Oremus met with the Shoreline School District and the contractor to review the low bid and evaluate options for a bid reduction. After review it was decided that there were very limited opportunities for reducing the cost of the improvements. Also because it is a remodel the project architect recommends against reducing the project contingency below 10%.

## **FINANCIAL IMPACT:**

Listed below are three options for the Spartan Gym Phase II improvements:

### **Option #1 - Not award the bid and re-bid the project.**

This option would cause a delay of several months and more than likely provide little opportunity for any cost savings. The project is very basic and no changes could be made in the design that would result in anticipated savings. As a result, if the cost of materials continues to escalate the bids may be even higher.

To re-bid the project and stay within the budget of \$681,927 would require a re-design of the facility reducing the size of the classrooms or eliminating a classroom. Additional design fees would be spent to accomplish this change further limiting the resources available for the construction of the improvements.

### **Option #2 - Not complete Spartan Gym Phase II Improvements**

There is a balance of approximately \$600,000 in the Phase II budget after paying for design and bidding expenses. These funds could be reallocated to other CIP projects.

Not completing the Phase II improvements continues to limit our ability to provide expanded recreational opportunities to our residents. Cities in the area that have

community recreation centers have spent several million dollars completing community centers for their citizens. Because of the partnership with the Shoreline School District we will be able create a community center complex for citizens of Shoreline for less than \$800,000.

The current agreement with the Shoreline School District calls for the City to make improvements to 4,000 square feet of the building as its investment in the Spartan Gym partnership. The Spartan Gym Phase II improvements were intended to complete the City's capital improvement obligation.

### **Option #3 - Secure Funds to Award the Bid**

Awarding the bid would require the transfer of additional funds to cover the increased cost of the project. After a review of the current CIP, transferring funds from two proposed projects could be used to cover the additional costs. The development of Cromwell Park is being evaluated as a possible joint-use park and stormwater facility. Partial construction funding for the development of the park may be supported by the stormwater utility if it is determined that the design could improve the stormwater system. If it is determined that there is no stormwater value and we are not able to secure additional grants or other funding for this project, the scope of the project would be reduced by approximately 10% to accommodate this transfer of funds.

To secure the additional funds needed to support Spartan Gym Phase II staff suggests the transfer of funds from the Richmond Beach Saltwater Park master site plan. After reviewing the needs of the plan, staff is confident that a complete site plan can be produced with the remaining balance.

Staff recommends the transfer of funds within the 2005-2010 CIP to cover the additional cost of Spartan Gym Phase II improvements as follows:

- Transfer \$50,000 from 2005 Cromwell Park master plan budget. This will leave a remaining budget of \$455,000.
- Transfer \$75,000 from 2005 Richmond Beach master plan budget. This will leave a remaining budget of \$166,000.

Staff recommends any funds remaining upon completion of the project be transferred back into the above-mentioned Capital Improvement Projects.

### **RECOMMENDATION**

Staff recommends that Council support Option #3 and approve the transfer of \$125,000 in 2005-2010 CIP funds to complete the Spartan Gym Phase II project, and recommends that the Shoreline School Board award the Spartan Gym Phase II project to Cope Construction Co. for their bid amount of \$537,250.

Approved By: City Manager  City Attorney 

Attachments:

A: Letter from Hutteball and Oremus Architecture

B: Spartan Gym Addendum to Joint Use Agreement (See page 1, paragraph 6)

C: Current and Proposed Floor Plan

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September 3, 2004

City of Shoreline  
17544 Midvale Avenue North  
Shoreline, WA 98133-4921

ATTN: Dick Deal  
Recreation Superintendent

RE: Spartan Gym Phase II  
Review of Construction Bids

We received eight bids for the Phase II renovation of Spartan Gym on August 31, 2004. The Basic Bid amounts ranged from a low bid of \$537,240 to a high bid of \$665,000. The apparent low bid submitted by Cope Construction Company has been the focus of our review. Cope Construction Company has a good reputation and experience in completing public construction projects similar to the Spartan Gym Phase II. They have successfully completed projects for the Shoreline School District and Hutteball & Oremus Architecture without excessive change orders or delay claims. They are well suited for this project and should be accepted as the low bidder for this project. Their bid is valid for a period of 45 days after the bid opening.

The attached breakdown compares our most recent estimate of construction cost with a breakdown received from Cope Construction after the bid opening. This analysis indicates the apparent low bid is \$125,257 or about 30% over our estimated construction cost. The difference between estimated and bid amounts is approximately 27% for the roofing, architectural/structural, and mechanical, portions of the work. The electrical portion is approximately 10% above our estimated amount and the General Contractor overhead and profit is 250% above our estimated amount. The large difference in overhead and profit should not be viewed as excessive contractor profit. Our estimate for architectural/structural work included \$30,000 of general conditions related work that the contractor included in their overhead.

The bids received for the project are competitive in a tight bidding climate. We believe the difference between our estimate and the bids is the result of recent inflation in construction materials, particularly products with steel and wood content. This inflationary period began several months ago, primarily effecting products with steel content. We felt that the work at Spartan Gym would not be greatly affected by this trend as the structure is primarily wood and concrete masonry. In recent weeks wood construction products have seen dramatic increases, which have a large effect on this project. I do not believe we have reached the end of this inflationary period. Re-bidding the project without reducing the scope of work is not expected to result in lower bids, and will most likely result in higher bids.

We have also asked Cope Construction to provide value engineering comments to identify areas of potential cost savings. They have not provided any significant areas for savings other than deleting portions of the work such as the roofing, casework or wood wainscot. These items have been previously discussed with City Staff and the Shoreline School District and we understand that they are critical for the project to be successful. Prior to bidding the project we removed all aspects that are not critical to the needs identified by



Spartan Gym Phase II  
Review of Construction Bids – page 2

City of Shoreline staff. The quality of the finishes, mechanical and electrical work cannot be reduced while still meeting the minimum standards established by the City of Shoreline and the Shoreline School District.

We recommend the City of Shoreline consider modifying the project budget to complete the project as bid or provide direction on scope-of-work reductions that are acceptable. We are happy to assist the City to identify a compromise that will allow the project to move forward.

Please call if you have any questions or if we can provide additional assistance.

Sincerely,

Bill Chaput  
Associate

cc: Paul Flemming – Shoreline School District



September 3, 2004

<b>SPARTAN GYM IMPROVMENTS - PHASE II</b>	<b>Design Dev. Phase</b>	<b>Contract Doc. Phase</b>	<b>Apparent Low Bid</b>
Project Budget	\$665,000	\$665,000	\$665,000
Roof Replacement	\$25,775	\$28,040	\$35,595
Architectural/Structural	\$178,055	\$189,284	\$243,148
Mechanical	\$95,586	\$97,792	\$122,449
Electrical	\$64,273	\$69,067	\$76,394
General Contractor's OH & P	\$15,287	\$16,300	\$59,654
Design Contingency	\$10,956	\$11,500	\$0
<b>Total Estimated Base Bid Construction Cost</b>	<b>\$389,932</b>	<b>\$411,983</b>	<b>\$537,240</b>
Estimated Design Fee	\$69,490	\$69,490	\$69,490
Project Management	\$25,000	\$25,000	\$25,000
WA State Sales Tax @ 8.9%	\$34,704	\$36,666	\$47,814
Permits, Fees, Insurance, Bonds	\$13,500	\$13,500	\$13,500
Printing	\$3,000	\$3,000	\$3,000
Testing and Inspections	\$7,000	\$7,000	\$7,000
Design & Reimbursable Contingency	\$1,500	\$1,500	\$1,500
Change Order Contingency @ 10%	\$38,993	\$41,198	\$53,724
Furniture & Systems Furniture	\$25,000	\$25,000	\$25,000
<b>Total Estimated Expenses</b>	<b>\$608,119</b>	<b>\$634,338</b>	<b>\$783,268</b>

**Alternates:**

Alt. 1 Locker Room Upgrade	*	*	*
Alt. 2 Restroom Modification	*	*	*
Alt. 3 Parking Improvements	n/a	n/a	
Alt. 4 Column Removal	n/a	\$24,000	

\* Included in Base Bid



## ADDENDUM TO JOINT USE AGREEMENT

### SPARTAN GYM

27 <b>CITY OF SHORELINE</b> <b>Clerk's Receiving</b> No: <u>1615</u> Date: <u>11/14/01</u>
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The Shoreline School District #412 and the City of Shoreline have entered into a Joint Use Agreement dated 8/29/00 ("Agreement"). This Addendum to that Agreement relates to Spartan Gym facility (hereafter "Facility") as described below, located at the Shoreline Center at 18560 1<sup>st</sup> Ave. NE, Shoreline WA, and the terms and conditions of this Addendum supplement the application of the Agreement to the Spartan Gym facility defined herein.

#### **A. Context and History**

The School District passed a bond issue that included funding for renovation of the gymnasium facility at the Shoreline Center. The design and construction focused on a vision of creating broader community access to the Facility for public recreation. Prior to 2000, the School District Athletic Department operated this Facility at the Shoreline Center complex. The dance room and gym were available for public use. King County Parks; City of Shoreline Parks, Recreation and Cultural Services Department; and youth and community organizations used the Facility for community recreation purposes.

In 2000, the City and the School District entered into a joint use agreement for City and School District facilities with a vision and intent to maximize public use of public facilities while maintaining them as sustainable assets.

The School District completed a \$2 million renovation of the Facility and renamed it Spartan Gym in May 2001. The Spartan Gym facility has a total of 34,727 square feet. Newly renovated spaces total 23,500 square feet or 68% of the building including a double gym, dance room, weight room, fitness room, office and lobby spaces, and ADA accessible restroom. In addition, men's and women's locker rooms were partially renovated and are available for public use.

The School District has exclusive use of 7,200 square feet or 20% of the building for School District purposes. This includes one locker room in the northwest corner of the building for visiting teams using the Stadium adjacent to the Spartan Gym. It also includes a former locker room located on the north side of the gym that has been modified, but largely unimproved, that is being used for storage.

The remaining 4,000 square feet or 12% of the building is unimproved. This includes an old locker room on the south side of the gym that is vacant. The City's 2001-2005 Capital Improvement Program has \$650,000 included for investment in the Spartan Gym. The funds are targeted to renovate this 4,000 square foot area for multipurpose rooms and support areas that would compliment the gym and fitness rooms. Once this is completed, the City will oversee 80% of the building footprint for community recreation purposes. The City's program use of the facility is expected to expand with the added facilities.

In 2001, the school district and city staff members collaborated to develop a joint operations plan for the newly renovated Spartan Gym facility. This addendum is based upon the August 2001 Joint Operations Plan.

**Addendum - Spartan Gym**

Page 2 of 4

**THE PARTIES AGREE AS FOLLOWS:****1. Facility Subject to Joint Use Agreement**

The Spartan Gym facility is added to those properties subject to the Agreement as of the date this Addendum is fully executed. The Spartan Gym facility is a separate building located on the Shoreline Center campus.

**2. Removal of Facility**

The District does not currently need the Facility for a school building. However, pursuant to RCW 28A.355.040, the District may declare the **Spartan Gym facility** again needed for school purposes and thus remove this Facility from this Joint Use Agreement. In such case, the District shall give the City twelve (12) months advance notice prior to said removal. The removal of this Facility from this Agreement shall be a partial termination of the Agreement entitling the City to reimbursement of the depreciated value of improvements by the City.

**3. Option To Buy**

If the District elects to sell any or all of the Facility during the period of this Agreement, it shall first notify the City. For ninety (90) days thereafter, the City shall have the option to buy the Facility at issue. The terms of any purchase by City pursuant to such election shall be as follows:

- (a) the purchase price shall be fair market value set pursuant to RCW 28A.335.120 for the portion of property being sold, less the remaining depreciated value of the City's improvements being sold;
- (b) cash at closing;
- (c) closing within ninety (90) days of City's exercise of the option; and
- (d) insurable fee simple title.

**4. Maintenance and Operations**

The School District shall provide and pay for routine maintenance and repair of the interior and exterior of the Facility. The City shall pay for repair of vandalism to the building interior associated with program use administered by the City. Major building maintenance repair and restoration shall be shared on a pro-rata basis according to use by School District and City operated programs.

The School District will provide custodial services.

The City shall pay for all utilities beginning June 2001. The City shall reimburse the School District for utility payments made for June 2001 to the end of 2001 in three annual payments beginning January 2002.

**Addendum - Spartan Gym**  
Page 3 of 4

The City will administer public recreation programs for the community. The City will provide supervision, scheduling, development and implementation of recreation programs, and collection and receipt of fees. The City shall operate this Facility, including facility additions developed under Section 6, in the same manner and to the same degree as other park and recreation facilities operated by the City. All fees collected by the City shall be retained by the City to offset its program expenses and utilities. The City and School District will review costs and use on an annual basis and make recommendations for modifications in cost sharing on a bi-annual basis.

The School District and City shall meet quarterly to develop the program schedule. The School District will generally have priority scheduling during regular school hours. The City of Shoreline will have priority scheduling at all other times.

The School District will receive credit for their initial capital investment in weight room equipment as the proportionate costs are calculated on an annual basis until the City's replacement costs add up to the amount the School District funded initially.

**5. Supervision**

It is provided further that each party shall prepare/set-up, supervise, and clean up facilities used by that party after regular hours of operation.

It is also provided that District administrative and security staff will have authority to supervise student behavior in Spartan Gym during the school year.

**6. Facility Development**

The City commits to pay the District up to \$650,000 for additional improvements to the building for multi-purpose rooms and related support facilities. Reimbursement of any project costs in excess of this amount is subject to further approval of the Shoreline City Council.

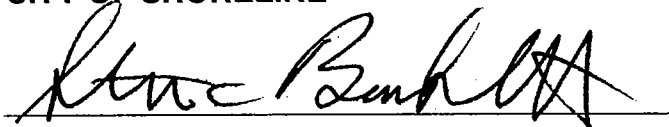
The City and District shall collaborate in the planning and design process for the additional improvements to the Facility. The plans, specifications and standards for the placement of all equipment, facilities and improvements at the Spartan Gym facility (whether permanent or temporary), and the type, design and construction thereof, shall be approved in writing by the School District prior to any installation thereof, which approval shall not be unreasonably withheld. If the School District objects to any public planning process in writing within thirty (30) days of notification and the stated objections are not timely resolved, the City will cancel the public planning process.

The City will pay Shoreline School District for construction of improvements as progress payments are due and the direct costs of the District's Project Manager, not to exceed \$650,000.

In WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on their behalf:

Dated: 11/14/01

CITY OF SHORELINE



Steven Burkett, City Manager

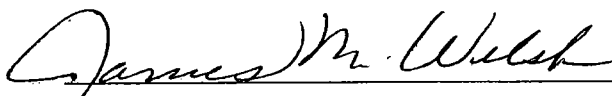
Approved as to form



Ian Sievers, City Attorney

Dated: 9/17/01

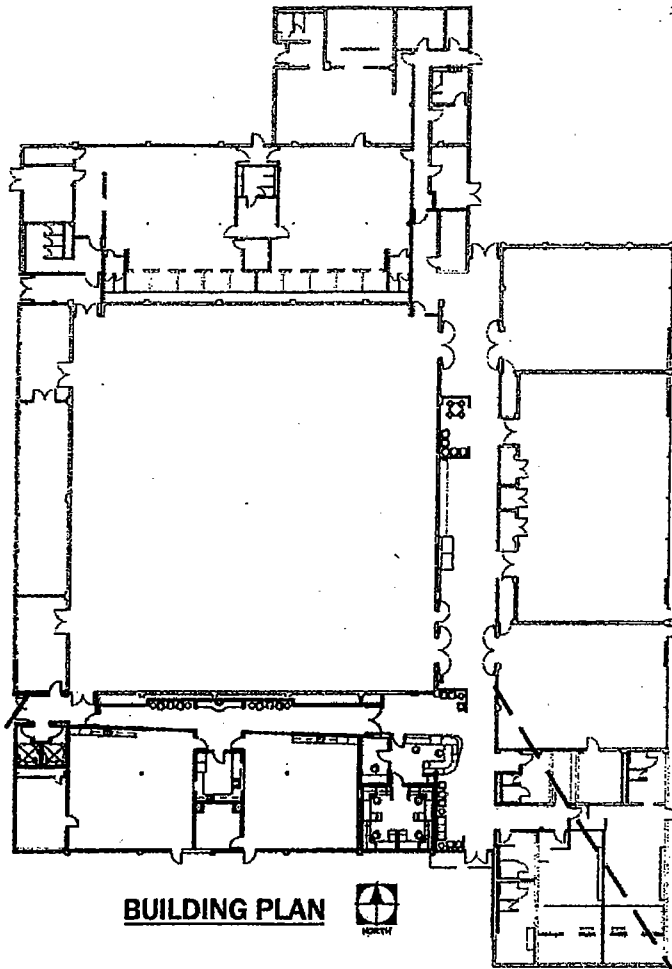
SHORELINE SCHOOL DISTRICT



Dr. James M. Welsh, Superintendent





Approved as to form

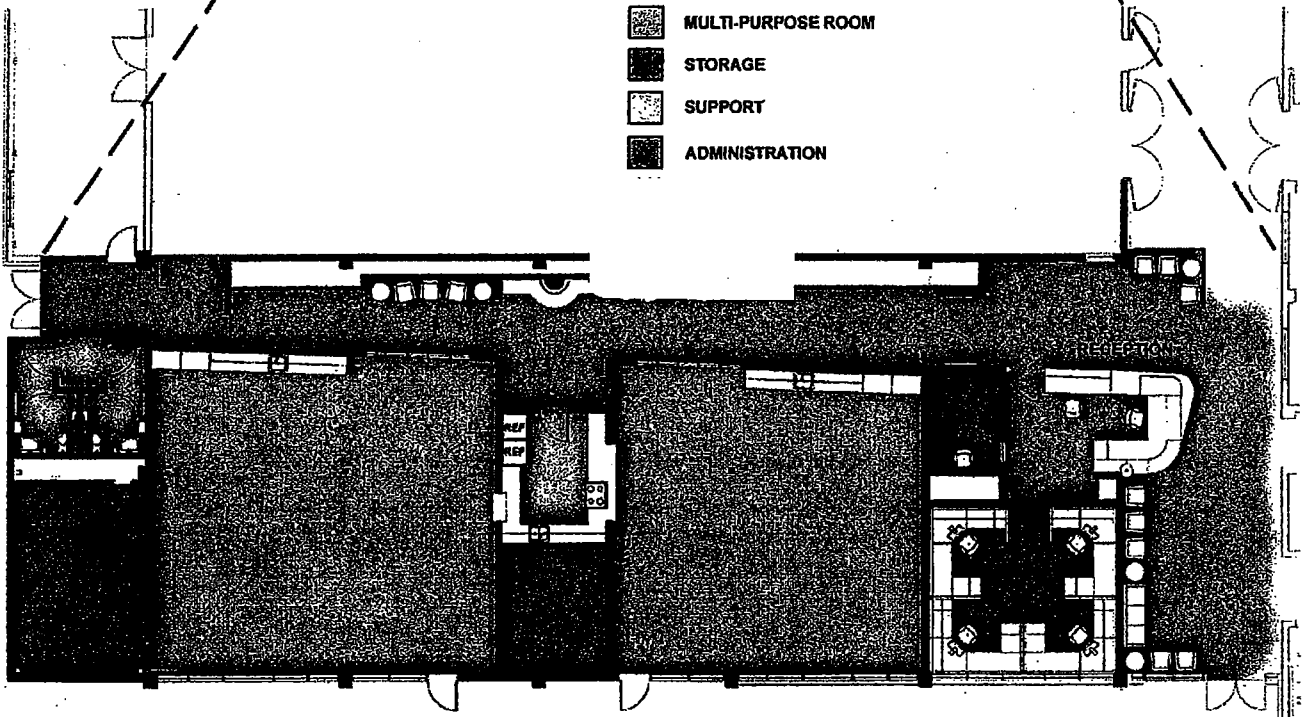
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Lester "Buzz" Porter, School District Attorney



**BUILDING PLAN**



-  MULTI-PURPOSE ROOM
-  STORAGE
-  SUPPORT
-  ADMINISTRATION



**ENLARGED FLOOR PLAN**



MAIN ENTRY

**SPARTAN GYMNASIUM IMPROVEMENTS - Phase II**