



**CITY OF PALO ALTO
CITY COUNCIL
Special Meeting
Monday, April 22, 2024
Council Chambers & Hybrid
5:30 PM**

Agenda Item

7. Approval of Construction Contract Number C24190641A with Valhalla Builders, Inc. in the Amount of \$460,900 and Authorization for the City Manager or Their Designee to Negotiate and Execute Change Orders for Related Additional but Unforeseen Work that may Develop During the Project up to a Not-to- Exceed Amount of \$46,090 for the Performing Arts Venues Seat Replacement Project at Lucie Stern Community Theatre, Capital Improvement Program Project AC-18000; CEQA Status – Exempt Under CEQA Guidelines Section 15301



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Public Works

Meeting Date: April 22, 2024

Report #:2403-2743

TITLE

Approval of Construction Contract Number C24190641A with Valhalla Builders, Inc. in the Amount of \$460,900 and Authorization for the City Manager or Their Designee to Negotiate and Execute Change Orders for Related Additional but Unforeseen Work that may Develop During the Project up to a Not-to- Exceed Amount of \$46,090 for the Performing Arts Venues Seat Replacement Project at Lucie Stern Community Theatre, Capital Improvement Program Project AC-18000; CEQA Status – Exempt Under CEQA Guidelines Section 15301

RECOMMENDATION

Staff recommends that the City Council:

1. Approve and authorize the City Manager or their designee to execute construction contract no. C24190641A with Valhalla Builders, Inc. in the amount of \$460,900 for Performing Arts Venues Seat Replacement, Capital Improvement Program project AC-18000; and
2. Authorize the City Manager or their designee to negotiate and execute one or more change orders to the construction contract with Valhalla Builders, Inc. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed \$46,090.

BACKGROUND

The existing Lucie Stern Community Theatre seats have been in service for many decades and are exhibiting signs of severe wear, including the inability for the seat cushions to self-rise, leading to inadequate aisle width for egress. There have been attempts over the years to rehabilitate the seats, but due to the age of the mechanisms, their components are now obsolete. To avoid the potential for fire and building code violations as well as safety concerns during emergency evacuations, staff has determined that the seats must be replaced. Additionally, the City's ADA Transition Plan documents the need to address requirements for access compliance.

ANALYSIS

Staff recommends approval of Contract No. C24190641A¹ in order to provide replacement of the existing theatre seats. The project will replace the existing seats with a more modern configuration that allows for gravity to raise the seat cushions in lieu of spring-loaded mechanisms. The upper portions of the entrance ramps will be reconfigured to provide access to a newly raised concrete platform which is configured for both wheelchair and companion seating. There will be additional ambulatory seating strategically placed at the ends of the rows at the aisles. The work will occur during the planned closure of the theatre from May 13, 2024 through August 8, 2024.

Bid Process

On March 27, 2024, an Invitation for Bids (IFB) for the Community Theatre Seat Replacement-REBID project was posted on OpenGov, the City's eProcurement system. The bidding period was 12 calendar days. The City received three (3) bids from qualified contractors on April 8, 2024, as listed on the attached Bid Summary (Attachment A).

Table 1: Summary of invitation for Bids	
Project Bid Name/Number	Community Theatre Seat Replacement-REBID IFB #190641A
Proposed Length of Project	May 13 – Aug 8, 2024
Number of Bid Packages Downloaded by Contractors	8
Number of Bid Packages Downloaded by Builder's Exchanges	2
Total Days to Respond to Bid	12
Mandatory Pre-Bid Meeting	No
Number of Company Attendees at Pre-Bid Meeting	N/A
Number of Bids Received	3
Base Bid Price Range	\$460,900 - \$581,501
Public Link to Solicitation	https://procurement.opengov.com/portal/palo-alto-ca/projects/87752

Bids ranged from \$460,900 to \$581,501 and from 36% to 71% above the engineer's estimate of \$340,000. Staff reviewed the submitted bids and recommends acceptance of the base bid submitted by Valhalla Builders, Inc. in the amount of \$460,900, and that Valhalla Builders, Inc. be declared the lowest responsible bidder. The higher bids are attributed to current global economic inflationary pressures as well as necessary just-in-time delivery expectations for a

¹ Valhalla Builders, Inc. Construction Contract C24190641A;
https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/c24190641a-valhalla-builders_cc_staff-report.pdf

project with a short window of opportunity for construction. The construction contingency amount of \$46,090, which equals 10% of the total contract value, is requested for related, additional but unforeseen work which may develop during the project, implemented via City-approved Change Order.

Staff reviewed information and similar projects performed by the lowest bidder, Valhalla Builders, Inc. and found them to be the lowest responsive and responsible bidder. Staff also checked with the Contractor's State License Board and determined that the contractor has an active license on file.

FISCAL/RESOURCE IMPACT

Funding for this contract is available in the Fiscal Year 2024 Adopted Budget for the Capital Improvement Program Performing Venues Seat Replacement (AC-18000) project.

STAKEHOLDER ENGAGEMENT

The Performing Arts Venues Seat Replacement Project has been coordinated with the Public Works, Administrative Services, and Community Services Departments as well as other user groups that rent the Lucie Stern Community Theatre. The work will take place during the coordinated closure of the facility between May 13, 2024 and August 8, 2024.

ENVIRONMENTAL REVIEW

This project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines as repair, maintenance and/or minor alteration of existing facilities and no further environmental review is necessary.

ATTACHMENTS

Attachment A: Bid Summary

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer

ATTACHMENT A - BID TABULATION
BID RESULTS FOR Lucie Stern Community Theatre Seat Replacement Project
(IFB 190641)

BID ITEM	DESCRIPTION	Unit of Measure	Qty	Ron Paris Construction Co, Inc.	Selway Construction	Valhalla Builders, Inc. (Lowest Responsible Bidder)
Base Bid	Community Theatre as a Turn-Key Project	LS	1	\$462,027	\$581,501	\$460,900
	Engineer Estimate	LS	1	\$340,000	\$340,000	\$340,000
	Percent Difference			36%	71%	36%

Notes: 1. Determination of Lowest Bid - The lowest bid shall be the lowest Base Bid. There were no additive or deductive alternate items.