



City of San Antonio

Agenda Memorandum

File Number:19-9196

Agenda Item Number: 14.

Agenda Date: 2/13/2020

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Razi Hosseini, P.E., R.P.L.S

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Contract Award: Henry B. Gonzalez Convention Center Roof Replacement

SUMMARY:

An ordinance accepting the lowest responsive bid and awarding a construction contract including elected alternate options and allowances in the amount of \$6,094,050.84 to American Roofing & Metal Co., Inc. for the Henry B. Gonzalez Convention Center Roof Replacement project, a Hotel Occupancy Tax Improvement & Contingency funded project located in Council District 1. The contract is representative of the base bid of \$5,265,395.00; expenses for allowances of \$550,000.00 and elected alternates of \$278,655.84.

On January 30, 2019, FM Global Insurance Company provided a partial insurance reimbursement of \$2,175,000.00 (net \$100,000.00 deductible); and after review of the responsive bid have made a final settlement offer of an additional \$3,478,588.07 for a total settlement offer of \$5,653,588.07 or a total reimbursement amount of \$5,553,588.07 net the deductible. The total settlement offer represents the base bid of \$5,265,395.00, allowance of \$275,000.00 and reimbursement for temporary repairs of \$113,193.07.

The difference between the contract total and the insurance reimbursement is \$540,462.77 which accounts for additional allowances not reimbursable by insurance and two elected alternates. Funds in the amount of \$5,553,588.07 will be appropriated from the Hotel Occupancy Tax Improvement & Contingency Fund and will amend the FY 2020 - FY 2025 Capital Improvement Program. Remaining funds in the amount of \$540,462.77 are currently available in the Hotel Occupancy Tax Improvement & Contingency Fund.

BACKGROUND INFORMATION:

Project Background

Hail event at the Convention Center over the day of April 13, 2018 resulted in severe roof damage throughout approximately 400,000 square feet of the Convention Center facility. The portions of the roof impacted resides over the Exhibit Halls 3 & 4, Bridge Hall, West Building, Tower View, Park View, Hemisfair Ballroom and meeting rooms. An insurance claim was filed with FM Global Insurance Company in September 2018 for the roof replacement. FM Global Insurance Company provided an initial insurance reimbursement of \$2,175,000.00 (net \$100,000.00 deductible), and provides a settlement offer for an additional \$3,478,588.07 for a total settlement in the amount of \$5,653,588.07 or a total reimbursement amount of \$5,553,588.07 net the deductible. The total settlement offer represents the base bid of \$5,265,395.00, allowance of \$275,000.00 and reimbursement for temporary repairs of \$113,193.07.

The contract is representative of the base bid of \$5,265,395.00; \$550,000.00 for allowances; and \$278,655.84 for elected alternate options. The allowances are to be used for unquantifiable repairs that can only be exposed once construction is underway. The insurance company will reimburse \$275,000.00 of the \$550,000.00 in allowances even though not considered a reimbursable expense under the City's insurance policy. The elected alternate options will increase the performance and longevity of the new roofing system from a 20 year life to a 30 year life and allow for further enhancements such as solar panels and other like sustainable projects. The elected alternate options and the remaining \$275,000.00 in allowances are not reimbursable by the insurance policy and will be paid from the Hotel Occupancy Tax Improvement & Contingency fund.

Several temporary repairs have been done to the roof in an effort to continue to hold contracted events at the Convention Center. However, the temporary repairs have a limited service life and will not permanently fix the leaks in the roof.

A study was performed by a third party vendor to assess the condition of the roof and to provide a recommendation to the City. A thermal scan of the roof showed that large areas of water, well over 60%, was trapped between the underside of the rigid insulation and roof-decking which indicated a large portion of the membrane had leaked. As part of the assessment, it was also determined the roof was stressed to the point of failure due to endured hail damage and heat exposure. As a result, the recommendation to the City was for a complete roof replacement.

This project will provide for the full replacement of the existing roof to include the installation of a new roofing system, the complete removal of the old system, increased insulation, a new cover board and a new roof membrane. The elected alternate options will allow for further enhancements to the new cover board and the roof membrane. Construction is anticipated to begin in February 2020 and estimated to be completed by February 2021.

Procurement of Services

This project was advertised on October 25, 2019 for construction bids in the San Antonio Hart Beat, on the City's website, on the Texas Electronic State Business Daily, on TVSA, through the electronic bidding site CivCast and through the TCI small Business Office. Bids were opened on December 10, 2019 and three (3) bids were received. Of these, American Roofing & Metal Co., Inc. submitted the lowest qualified responsive bid. A matrix of the bid outcome is included herein.

This contract will be awarded in compliance with the new Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts to be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority and women-owned business participation on the contract. The Goal Setting Committee set a 5% Minority/Women Business Enterprise (M/WBE) subcontracting goal. American Roofing & Metal Co., Inc. has

committed to meeting the subcontractor participation goal.

This construction contract was developed utilizing the qualified low bid process. Therefore, a Contracts Disclosure Form is not required.

ISSUE:

This ordinance accepts the lowest qualified responsive bid and awards a construction contract including elected alternate options and allowances in the amount of \$6,094,050.84 to American Roofing & Metal Co., Inc. for the Henry B. Gonzalez Convention Center Roof Replacement project, a Hotel Occupancy Tax Improvement & Contingency funded project, located in Council District 1. Funds in the amount of \$5,553,588.07 will be appropriated from the Hotel Occupancy Tax Improvement & Contingency Fund and will amend the FY 2020 - FY 2025 Capital Improvement Program. Remaining funds in the amount of \$540,462.77 are currently available in the Hotel Occupancy Tax Improvement & Contingency Fund.

FM Global Insurance Company provided an initial insurance reimbursement of \$2,175,000.00 (net \$100,000.00 deductible), and provides a settlement offer for an additional \$3,478,588.07 for a total settlement in the amount of \$5,653,588.07 or a total reimbursement amount of \$5,553,588.07 net the deductible.

This project will provide for the full replacement of the existing roof to include the installation of a new roofing system, the complete removal of the old system, increased insulation, a new cover board and a new roof membrane. The elected alternate options will increase the performance and longevity of the new roofing system from a 20 year life to a 30 year life and allow for further enhancements such as solar panels and other like sustainable projects. Construction is anticipated to begin in March 2020 and estimated to be completed by March 2021.

ALTERNATIVES:

As an alternative, City Council could choose not to award this contract and require staff to re-advertise this project. Considering the additional time required for another solicitation process, this would adversely affect the timely completion of the project but most importantly impact events held at the Henry B. Gonzalez Convention Center.

FISCAL IMPACT:

This ordinance authorizes a one-time capital improvement expenditure in the amount of \$6,094,050.84 payable to American Roofing & Metal Co., Inc. The contract is representative of the base bid of \$5,265,395.00; expenses for allowances of \$550,000.00 and elected alternates of \$278,655.84. The elected alternates will enhance the performance and longevity of the roof and allow for further enhancements such as solar panels and other like sustainable projects. Funds in the amount of \$5,553,588.07 will be appropriated from the Hotel Occupancy Tax Improvement & Contingency Fund and will amend the FY 2020 - FY 2025 Capital Improvement Program. Remaining funds in the amount of \$540,462.77 are currently available in the Hotel Occupancy Tax Improvement & Contingency Fund.

The City has received \$2,175,000.00 (net \$100,000.00 deductible) from FM Global Insurance Company from an initial insurance reimbursement. The City has been offered settlement from FM Global Insurance Company for additional \$3,478,588.07 for a total settlement in the amount of \$5,653,588.07 or a total reimbursement

amount of \$5,553,588.07 net the deductible. All funds received from the insurance payout will be used to reimburse the Hotel Occupancy Tax Improvement & Contingency Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance accepting the lowest responsive bid and awarding a construction contract including elected alternate options in the amount of \$6,094,050.84 to American Roofing & Metal Co., Inc. for the Henry B. Gonzalez Convention Center Roof Replacement project and appropriating \$5,553,588.07 from the Hotel Occupancy Tax Improvement and Contingency Fund.