
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: December 3, 2009

IBA Report Number: 09-92

City Council Meeting Date: December 8, 2009

Item Number: 108

City Administration Building Fire Sprinkler Retrofit

OVERVIEW

On Tuesday, December 8, 2009 the City Council will be asked to consider authorizing an agreement with Schirmer Engineering in an amount not to exceed \$127,103 to prepare bridging documents for the installation of fire sprinklers on the remaining ten floors of the City Administration Building (CAB). The bridging documents will define the scope of work necessary to complete the installation of the fire sprinklers and enable the City to produce a Request for Proposal that will identify a qualified contractor to complete the work.

E&CP staff has stated that it is necessary to hire an outside firm to complete the bridging documents due to the fact that City staff does not have expertise in the installation of fire sprinkler systems. Staff estimates that the time necessary to complete the bridging documents and RFP process to identify a qualified contractor is eight months. At the completion of the RFP process, staff would return to the Council for authorization to proceed with advertisement and award of the design-build contract. Once awarded, the estimated construction time is eighteen months. When completed, the City Administration Building would be in compliance with San Diego Municipal Code Section 55.0903 which requires the installation of fire sprinklers systems in all existing high-rise buildings.

The City Administration Building (CAB) is one of the last, if not the last, high-rise buildings in the City to not comply with Municipal Code 55.0903. On March 10, 2009 the City Council approved extending the required compliance date for sprinkler retrofitting of high-rise buildings to February 1, 2010. As part of the motion that was approved on March 10th, the City Council required the Mayor to issue a RFP to install sprinklers in CAB by June 1, 2009. In addition, the City Council required the Mayor to

return to the City Council with a report on the Civic Center Complex Redevelopment and retrofit by December 1, 2009. On October 12, 2009 the City Council approved the execution of an Exclusive Negotiation Agreement with Gerding Edlen Development Corporation for the development of the Civic Center Complex including a new City Hall.

FISCAL/POLICY DISCUSSION

Although staff is bringing this item forward to comply with City Council direction, they note in their report that due to the City's current financial situation and that negotiations with Gerding Edlen are moving forward, they do not recommend the installation of the fire sprinklers at this time. In addition, one of the Mayor's proposed solutions for the estimated \$200 million FY 2011 deficit is to not fund the estimated \$5.5 million in expenses related to the installation of the sprinklers and spot asbestos treatment. In our review of the Mayor's Proposed Fiscal Year 2010/2011 Budget Solutions (IBA Report #09-90) we agree that in this current fiscal environment where substantial service level reductions are required to close the deficit, funding of the sprinklers should be delayed. We do also note that the delay of the installation of fire sprinklers in CAB has been a known risk for many years, but progress has been made recently on providing the City with a long-term solution for the facility.

In light of the Mayor's proposal to not fund the \$5.5 million required for installation of fire sprinklers and spot asbestos treatment in FY 2011, and that negotiations are ongoing with Gerding Edlen, ***the IBA recommends that the Council not approve the action to enter into an agreement with Schirmer Engineering.*** With negotiations with Gerding Edlen expected to end in May 2010 the City will have a clearer picture of the future of the City Administration Building and at that time, if needed, E&CP could hire Schirmer to prepare the bridging documents.

In addition, as noted in the Facilities Condition Assessment performed by the DMJM, a global architectural, planning and engineering firm, the installation of fire sprinklers is one of many needs totaling an estimated \$37.0 million that is required to keep CAB operational for the next ten years. By delaying this action until the conclusion of negotiations, the City will have a better understanding regarding what improvements will be required to be completed; and the installation of the sprinklers could be incorporated into a more comprehensive plan to address all of the needs.

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