



Office of the City Manager

CONSENT CALENDAR
April 21, 2026

To: Honorable Mayor and Members of the City Council
From: Paul Buddenhagen, City Manager
Submitted by: Wahid Amiri, Interim Director, Public Works
Subject: Contract No. 32500090 Amendment: Bay Construction Co. for the Second Street STAIR Center Site Improvements and Shelter Units Project. Specification No.23-11603-C

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 32500090 with Bay Construction Co. to reconcile costs associated with completed construction work and finalize project closeout, increasing the current contract amount of \$1,069,200.00 by \$18,549.58 for a total not to exceed amount of \$1,087,749.58.

FISCAL IMPACTS OF RECOMMENDATION

Funding for this contract amendment is available in the Capital Improvement Fund 501 in the Public Works FY2026 budget, consistent with the funding source identified in the original Council report for this project. The \$18,549.58 requested for this amendment is within the approved project budget.

No other funding is required.

Original Contract.....	\$972,000.00
Original Contingency.....	\$ 97,200.00
Original (NTE)	\$1,069,200.00
This Amendment.....	\$ 18,549.58
Amended Contract Amount (NTE)	\$1,087,749.58

The original 20% project contingency is fully expended due to change orders associated with unforeseen site conditions, owner-requested work, increases in prevailing wage rates, and required weekend and overtime shifts necessary to open the STAIR Center for occupancy by December 1, 2025. The amended contract NTE amount will address pending change orders and provide additional contingency to address any additional unforeseen conditions necessary to complete the project.

CURRENT SITUATION AND ITS EFFECTS

The construction contract with Bay Construction Co. was executed in September 2024; however, construction did not begin until May 27, 2025, due to delays in securing a site to temporarily relocate STAIR operations. Prior to construction, the design team conducted due diligence in coordination with East Bay Municipal Utility District, Berkeley Fire Department, Disability Access Consultants (DAC), Bay Area Community Services, Health, Housing, and Community Services department (HHCS) to assess site conditions as accurately as possible. Additional site complexities became apparent once construction commenced.

Construction of the Second Street STAIR Center Site Improvements and Shelter Units Project has been completed, and the facility opened for occupancy on December 1, 2025. During construction, several unforeseen conditions resulted in multiple change orders to address utility corrections, fire protection system modifications, additional site preparation, and related work. Several of these changes were driven by agency coordination, regulatory requirements, and owner requested modifications.

Additionally, delays due to adverse weather required weekend and overtime shifts to maintain the project schedule and achieve the December 1, 2025, opening. Increases in prevailing wage rates between the time of contract award and start of construction also contributed to higher than anticipated construction costs.

The proposed contract amendment will reconcile the cumulative cost impacts associated with this work and support final project closeout.

Effective January 1, 2026, local agencies are required to satisfy noticing requirements for certain contracts for services that meet the criteria outlined in Government Code Section 3504.1 as amended by AB 339. This project does not meet the criteria in Government Code Section 3504.1 and is exempt from the noticing requirement..

BACKGROUND

The Second Street STAIR Center was established to provide interim shelter and supportive services for individuals experiencing homelessness in the City of Berkeley. The facility is operated in partnership with Bay Area Community Services and plays a key role in the City's broader homelessness response strategy.

In June 2024, the City Council approved the Second Street STAIR Center Site Improvements and Shelter Units Project to replace existing congregate sleeping trailers with individual shelter units and to address accessibility, safety, and site infrastructure deficiencies. The project included installation of premanufactured shelter cabins, utility and life safety improvements, accessibility upgrades, and related site work.

Bay Construction Co. was selected through a competitive bidding process as the lowest responsive and responsible bidder. Construction commenced in May 2025, and the

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project was completed in December 2025, allowing the STAIR Center to open for occupancy on December 1, 2025.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

This contract amendment does not result in new or additional environmental impacts beyond those previously evaluated and approved for the project. The amendment reconciles costs associated with completed construction work and does not expand the project scope or operational footprint.

RATIONALE FOR RECOMMENDATION

Approval of the contract amendment is necessary to reconcile costs associated with completed work resulting from unforeseen site conditions, regulatory and agency requirements, owner requested changes, schedule driven construction efforts, and increases in prevailing wage rates. Approval will allow the City to finalize the contract and complete project closeout.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Wahid Amiri, Interim Director, Department of Public Works, 510-981-6396
Titus Chen, Associate Civil Engineer, Department of Public Works, 510-981-6410

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 32500090 AMENDMENT: BAY CONSTRUCTION CO. FOR THE
SECOND STREET STAIR CENTER SITE IMPROVEMENTS AND SHELTER UNITS
PROJECT. SPECIFICATION NO.23-11603-C

WHEREAS, Resolution No. 71,416-N.S. authorized the City Manager to execute a contract and any amendments, extensions, or change orders with Bay Construction Co. for the Second Street STAIR Center Site Improvements and Shelter Units Project at 1601 Second Street, in an amount not to exceed \$1,069,200.00, which included a contingency of \$97,200; and

WHEREAS, funding in the amount of \$18,549.58 is available in the Capital Improvement (501-54-623-677-444-662110) Fund FY 2026 budget; and

WHEREAS, this contract is exempt from the noticing requirements set forth in Government Code Section 3504.1; and

WHEREAS, during construction of the project, unforeseen site conditions, coordination requirements with existing utilities, life safety corrections, and other field conditions were encountered that could not be fully identified prior to construction; and

WHEREAS, the project also required owner-requested modifications, agency and code-driven changes, weekend and overtime work to maintain the project schedule, and was impacted by increases in prevailing wage rates; and

WHEREAS, construction of the Second Street STAIR Center Site Improvements and Shelter Units Project has been completed, and the facility opened for occupancy on December 1, 2025; and

WHEREAS, an increase of \$18,549.58 to the not to exceed contract amount is required to reconcile costs associated with completed work and finalize project closeout.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to the contract with Bay Construction Co. for the Second Street STAIR Center Site Improvements and Shelter Units Project, increasing the contract amount by \$18,549.58 for a revised total amount not to exceed \$1,087,749.58, for the contract term beginning May 27, 2025, through December 1, 2025.