



COUNCIL AGENDA: 12-18-07

ITEM: 2.22

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
John Stufflebean

SUBJECT: SEE BELOW

DATE: 11-26-07

Approved

Katy Allen

Date

11/30/07

COUNCIL DISTRICT: City-Wide

SUBJECT: FIRST AMENDMENT TO THE AGREEMENT WITH ALLANA BUICK & BERS, INC. FOR PROFESSIONAL SERVICES AT THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT

RECOMMENDATION

Approval of the first amendment to the agreement with Allana Buick & Bers, Inc. for professional services related to the repair and modifications of the San José/Santa Clara Water Pollution Control Plant's Environmental Services Building, modifying the scope of services and increasing the compensation by \$276,695 for a total maximum amount not to exceed \$587,495; and extending the term of the agreement by twenty-four months from July 31, 2008 to July 31, 2010.

OUTCOME

Approval of this proposed amendment will allow for the completion of the design and construction support services required for the project, including professional services associated with obtaining Green Building (LEED) certification.

BACKGROUND

In July 2006, a Request for Proposal (RFP) process was initiated to retain a qualified architectural consultant to provide design and related services during building repair to correct the water intrusion and infiltration problems, repair other related building deficiencies, and to expand a portion of the laboratory, Allana Buick & Bers, Inc., received the highest scores for their proposal and presentation and staff recommended that they be awarded the consultant contract for the Environmental Services Building (ESB) repair work.

On November 14, 2006, Council approved an agreement with Allana Buick & Bers, Inc. for architectural and engineering services for the repair of the ESB. This included the correction of water intrusion and infiltration problems, improvement of interior air quality and the achievement of LEED certification for the repaired building. The primary scope of the consultant services included evaluation and assessment of building and fungal conditions, LEED consultation, preparation of construction documentation for repair and building upgrade, construction monitoring services, and clean-up confirmation for a total cost of \$282,300. An additional \$28,500 was provided in the agreement for additional services when authorized on an as-needed basis.

During spring 2007, intensive testing, which included water intrusion analysis, and further destructive testing, were performed in order to better assess the building envelope components (roof, walls, windows, and doors), to determine the extent and cause of leaks. Upon completion of this phase, it was confirmed that the building has numerous defects, which include the presence of moisture infiltration, mold growth, and rodent infestation. These tests indicated water infiltration into the building through the building envelope as well as site drainage problems. Microbial testing on samples collected indicated mold contamination within the wall cavity and rodent droppings/damage were also observed on exposed interior walls. It was also discovered that the building's roof is failing and the HVAC system is less energy efficient than required by the current building code.

ANALYSIS

The extent of the necessary facility repairs, the deterioration of the roof, and the additional LEED certification scope requires additional services and more funding than provided in the current agreement. Staff is therefore requesting an additional \$276,695 from funds available within the current appropriation for this project. This increase is necessary due to the additional tasks identified during the evaluation and assessment phase.

The proposed amendment would increase the compensation by \$276,695 and incorporate changes that address the additional engineering design and monitoring services for roof replacement, and mold remediation review/certification. This additional funding would allow for LEED documentation and subsequent design and certification services. This is a relatively complex building rehabilitation and upgrade project that will require a construction management team led by City staff and supplemented with consultant services. The consultant's construction phase services will include the LEED documentation as well as conventional construction administration services normally provided by the design architect. Specifically, LEED Silver certification will involve water efficient landscaping; indoor water conservation; optimizing energy performance, particularly of the HVAC system; construction waste management; and the use of recycled, renewable, and/or local building materials.

LEED Silver certification for this facility will provide an array of benefits, including:

- Demonstration that the City values its employees and has made every effort to correct the concerns of the past by providing a safe and healthy workplace independently certified as meeting the most widely recognized environmental leadership standard for facilities. This effort is expected to both enhance morale and productivity of onsite staff.
- Demonstration of the City of San José's ongoing commitments to environmental leadership in the design, construction, and operation of its facilities.
- Reduced ongoing operational costs for the facility, including utility savings.

Environmental Services, as users of the facility and appropriate to their expertise, provided the contract administration and management of the programming and investigative phases of the project. Public Works will now provide contract administration and take the lead role in the overall management of the completion of the design, bidding, and construction phases of the project. Environmental Services staff will continue to provide support services for project aspects such as coordination of the functioning laboratory during repair and safety and regulatory support.

EVALUATION AND FOLLOW-UP

The original design services contract with the consultant, Alana, Buick and Bers was awarded on November 14, 2006. With the recommended amendment to the contract, the design including the incorporation of LEED elements is anticipated to be completed by spring of 2008. The construction contract is scheduled to be awarded in July, 2008 and will be brought forward for council approval at that time.

POLICY ALTERNATIVES

Alternative#1: Issue an RFP requesting consultant services to provide for additional engineering services for roof replacement and detailed LEED study.

Pros: Possible lower consulting services cost proposal from an alternate consulting engineering firm.

Cons: Lack of continuity in project and LEED consultation activities. Possible higher cost proposal and impact to overall schedule because of the time requirements to award an additional contract.

Reasons for not recommending: Seeking a new consultant could result in a delay of at least three to four months. The time required to process a new contract and for a new consultant to establish themselves with the project would delay the re-occupancy of the building resulting in greater rental expenditures.

Alternative#2: Complete the tasks with City resources.

Pros: Possible lower cost for project delivery and opportunity to develop in-house expertise.

Cons: Lack of experience and expertise among staff to provide services for critical elements of project for waterproofing the building, eliminating microbial colonies growth, improving the indoor air quality and certification of LEED and building re-occupancy.

Reasons for not recommending: City staff is already providing project support at the capacity and skill available internally. The complexity of the project, in critical phases involving design for waterproofing the building, mold abatement activities, final closeout survey/testing for building re-occupancy and certification for LEED are highly specialized. Internal City staff do not have the required expertise to provide these services.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this action does not meet any of the criteria above, this memorandum is posted on the City's Council Agenda Website for the December 18, 2007 Council Agenda.

COORDINATION

This project and memorandum have been coordinated with the Office of Risk Management, Equality Assurance, City Manager's Budget Office, General Services, and the City Attorney's Office. As part of the "contracting-in" evaluation, this project was approved for outsourcing by the City's Contracting-In Committee due to the lack of technical skills required to implement this project within the City. This item is scheduled to be heard at the December 13, 2007 Treatment Plant Advisory Committee (TPAC) meeting.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved budget strategy of investing in our infrastructure with emphasis on expenditures that reduce costs. This project also supports the City's Green Building Policy and energy efficiency through the pursuit of LEED Silver certification for this building.

COST SUMMARY/IMPLICATION

1.	AMOUNT OF RECOMMENDATION:	\$276,695
2.	COST ELEMENTS OF AGREEMENT	
	Original Agreement	\$282,300
	Original Additional Services	28,500
	First Amendment	<u>276,695 *</u>
	TOTAL	\$587,495
	Prior Year Expenditures	84,495
	TOTAL REMAINING COSTS	\$503,000

3. SOURCE OF FUNDING: 512 – San José/Santa Clara Treatment Plant Capital Fund

4. FISCAL IMPACT: Existing fund are available for this project. No additional appropriation action is required.

*Includes \$55,000 for additional services. Additional services will be applied for services not detailed in the basic services or changes in conditions, beyond the control of the consultant.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$ 503,000			
Current Funding Available							
512	5690	Plant Infrastructure Improvements	042853	\$12,690,000	\$276,695	V-160	10-16-2007 Ord. No. 28143
Total Current Funding Available				\$12,690,000			
Total Funding for Remaining Project Costs				\$12,690,000	\$276,695		

HONORABLE MAYOR AND CITY COUNCIL

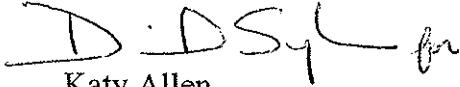
11-26-07

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CEQA

Not a project.

Handwritten signature of Katy Allen in black ink, consisting of a large 'K' followed by 'A', 'L', 'L', 'E', 'N' and a small flourish.

Katy Allen
Director, Public Works

Handwritten signature of John Stufflebean in black ink, featuring a large 'J' and 'S' followed by 'T', 'U', 'F', 'F', 'L', 'E', 'B', 'E', 'A', 'N' and a small flourish.

John Stufflebean
Director, Environmental Services

For questions please contact David Sykes, Assistant Director, Public Works, at 535-8300.