



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: William F. Sherry, A.A.E.

SUBJECT: SEE BELOW

DATE: 06-06-06

Approved

Date

6-07-06

COUNCIL DISTRICT: Citywide

SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT ON-CALL CONSULTANT DESIGN SERVICES AGREEMENT

RECOMMENDATION

Approval of a first amendment to the agreement with HMH Engineers for on-call engineering and design consulting services at the Norman Y. Mineta San José International Airport, extending the term of the agreement from June 30, 2006 to May 31, 2008, and amending the compensation to reflect increased labor rates with no increase in total compensation.

CEQA: Resolution Nos. 67380 and 71451, PP 06-088.

OUTCOME

Council approval to extend the term of the agreement will enable HMH Engineers to continue to provide on-call engineering and design consulting services at the Airport through the completion of the North Concourse Project.

BACKGROUND

The City has commenced implementation of the Airport Terminal Area Improvement Program which includes a new North Concourse Building. The City is implementing the construction of the North Concourse building in phases using a separate construction contract for each phase.

The nature of construction by phases, and the complexity of the Airport environment, necessitate on-call engineering and design consulting services to allow for quick responses to issues as they arise. Typical required services may include architectural, civil, structural, mechanical, electrical

and other related professional engineering services to design various interim and permanent improvements to support the Airport's operational and infrastructure needs.

In July 2004, Council approved a master agreement with HMH Engineers for On-Call Consultant Design Services for the North Concourse Project to provide a full range of design services, including performing studies, preparing construction documents and performing other professional engineering services as required for the North Concourse Project. The term of the existing agreement expires on June 30, 2006.

ANALYSIS

Over the course of the agreement's two year term, \$407,010 of the originally contracted \$1,000,000 has been expended. A balance of \$592,990, or nearly 60% of the original value, remains.

Construction of the North Concourse building will continue into the second quarter of 2008, and it is anticipated that these on-call services will continue to be necessary. The proposed first amendment would extend the term of the contract to May 31, 2008, to allow continued access to services, up to the amount of the original agreement.

There is no proposed increase to the total compensation for the agreement, however, this amendment does reflect increased hourly rates previously approved by the Airport under the terms of the existing agreement. These increases are directly related to salary increases for HMH employees performing the contracted services. Based on the City's rate of expenditure over the past two years, staff estimates the remaining balance to be sufficient to accommodate the rate increases.

ALTERNATIVES

There are two possible alternatives. One is to not extend the contract. The intent of this agreement was to support the North Concourse project. The North Concourse project would lose that support by not extending the contract. The other alternative would be to issue a new RFQ. There is inherent value in extending the contract, both in terms of maintaining continuity with the consultant, and in terms of time and cost savings to City, related to implementing a new RFQ process.

PUBLIC OUTREACH

The Request-For-Qualifications (RFQ) for the On-Call Consultant Design Services Contract was posted in the business section of the Airport's web site, the Bid Hotline section of the Department of Public Works' web site, the *San José Mercury News*, the *San José Post Record*,

