



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Albert Balagso  
Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 09-06-06

Approved

Date

9-19-06

**COUNCIL DISTRICT:** City-Wide  
**SNI:** N/A

**SUBJECT: FIRST AMENDMENT TO THE AGREEMENT WITH BEALS ALLIANCE, INC. FOR THE LAKE CUNNINGHAM REGIONAL SKATE PARK MASTER PLAN AMENDMENT**

## RECOMMENDATION

Approval of the first amendment to the consultant agreement for management and design services with Beals Alliance, Inc., for the Lake Cunningham Regional Skate Park Master Plan Amendment Project extending the term from March 31, 2008 to June 30, 2008, and increasing the compensation by \$167,991 from \$500,000 for a total agreement amount not to exceed \$667,991.

CEQA: Not a project.

## OUTCOME

Approval of the first amendment to the agreement with Beals Alliance, Inc. will allow the consultant to provide consulting services beyond the master plan and construction design document phases of work covered in the original agreement to include bid and award phase, and construction phase support. The additional services to complete the project align with the project scope and budget defined during the master plan and final design phases of work.

## BACKGROUND

On June 6, 2005, Council approved a consultant agreement with Beals Alliance, Inc. to update the 1990 Master Plan for Lake Cunningham Park to include a regional skate park facility. The consultant was selected in accordance with the Intermediate process described in the Qualifications-Based Consultant Selection Policy (QBCS). The Intermediate process is used when professional consulting fees are expected to range between \$100,000 and \$500,000.

The original agreement was divided into three phases. Phase 1 services included project definition and design services in support of the master plan phase of work. Phase 1 also included a site survey, skate park design workshops and community meetings, which were performed between June 2005 and February 2006. Phase 2 services included environmental clearance work to support the project defined during Phase 1, a marketing and operations plan, and conceptual design development work. Phase 2 Services began in March 2006 and are ongoing. Phase 3 includes schematic design and preparation of construction documents for the project. Work on Phase 3 started in May 2006 and is underway.

The original consultant agreement did not include the scope of services for final phases of the project, including final bid documents, support for the bid and award phase and construction administration services. At the time the original agreement was executed, the project was not developed enough to anticipate the exact scope or funding required to complete the project. Available project funding at the time was \$2.8 million, and was part of the 2004 Adopted and 2005-2010 Proposed CIP. Detailed cost information prepared during Phase 3 services indicated that additional project funding would be necessary to construct the project defined during Phases 1 and 2 of the project. An additional \$2.4 million was secured to support a total project budget of \$5.2 million. The 2006-2011 Proposed CIP programs \$4.6 million, and the remainder of the \$5.2 million budget was expended in prior years.

A State of California Per Capita Program grant in the amount of \$1 million dollars will reimburse the City for design and construction expenditures related to the project. The project must be completed by March 31, 2008 in order to be eligible for reimbursement.

### **ANALYSIS**

The first amendment to the agreement, for Phase 3a of the project, increases the scope of work and fees for the consultant agreement to align with the project scope and budget that was more fully defined during the earlier phases of work and to include consultant services for final phases of the project. The increased project schedule responds to a more detailed understanding of the later phases of work that was developed in earlier phases of the project.

The added scope and fees provide consultant services for preparation of final construction bid documents and support for the project during the bid and award phase of work. These services include responding to addendums, responding to requests for information and reviewing bids. The first amendment also includes construction phase services, such as attendance at construction meetings, reviewing change order requests and preparation of design changes responding to unusual field conditions. Further, unlike other park construction projects, the regional skate park requires oversight by professionals with particular expertise and experience to ensure that the skate features including ramps, bowls, half and full pipes, street elements, and other specialty items will meet stringent design tolerances. Services added in the first amendment include significant on-site construction supervision by a qualified skate park design professional through a majority of the construction period to augment the City inspection effort.

The high degree of oversight by the uniquely qualified consultant will ensure that this specialized construction process results in a successful project.

The total value of the first amendment exceeds the \$500,000 consultant fee level suggested by the QBCS for the Intermediate process used to select the consultant. The consultant was selected for earlier phases of the project only. However, staff recommends retaining the existing consultant for all phases of the project because of the highly specialized nature of the regional skate park project. In addition, staff does not believe it is practical to solicit additional proposals for this project since additional services are directly related to, and integral to, the original scope of services, which have yet to be completed. Furthermore, it is essential to retain the existing consultant in order to keep the project schedule on track to ensure completion by March 2008 in accordance with the \$1 million Per Capita Program grant deadline.

### **POLICY ALTERNATIVES**

*Alternative 1: Conduct a Request for Qualification (RFQ) process to select a consultant to complete the project.*

**Pros:** A new RFQ process would allow the City to open the hiring process for the later phases of the project to other consultant teams.

**Cons:** At a minimum, an RFQ would require 90 days to complete, including agendaizing the memorandum for Council award. A new skate park consultant, if selected, would then need time to become familiar with this custom-designed project, which may cause the project quality and schedule to suffer.

**Reason for not recommending:** This alternative would result in an extended project delivery schedule jeopardizing compliance with a \$1 million grant deadline. In addition, the project would benefit by retaining the existing consultant through the final phases of work given the work that has already been completed by the consultant and the custom nature of the skate park facility.

### **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)**

This action does not meet any of the criteria above. PRNS staff conducted a formal RFQ process in fall 2004 to pre-qualify professional consulting firms for skate park services. Outreach to the consultant community included advertisement on the City of San José's Bid Hotline. A total of eight consultant firms submitted a Statement of Qualifications. Upon completion of the evaluation process, Beals Alliance, Inc. was selected as the top-ranked consultant. The consultant was selected in accordance with the Qualifications-Based Consultant Selection Policy for Consultants adopted by the City Council, effective December 7, 2004.

Once retained, Beals Alliance, Inc. conducted public input sessions with the community-at-large to solicit their recreational priorities for Lake Cunningham Regional Park. The master plan update process allowed for the broadest possible participation.

**COORDINATION**

This project and memorandum have been coordinated with the City Attorney's Office and the City Manager's Budget Office.

**FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy with the additional project program elements.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$167,991

2. **COST OF PROJECT:**

Original Agreement	\$500,000
Amendment to Agreement	<u>167,991</u>
TOTAL	\$667,991

3. SOURCE OF FUNDING: 462 – Lake Cunningham Fund  
375 – Subdivision Park Trust Fund  
391 – Parks City-Wide Construction and Conveyance Tax Fund

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4. OPERATING COSTS: The master plan study includes defining operations and maintenance costs, with recommendations for revenue generation to offset operating costs.

**BUDGET REFERENCE\***

Fund #	Appn. #	Appn. Name	RC#	Total Appn.	2006-2007 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
375	5190	City-wide Skateboard Park Development	137531	\$327,000	V-572	
391	5190	City-wide Skateboard Park Development	137531	\$4,559,000	V-472	
		<b>Total</b>		<b>\$4,886,000</b>		

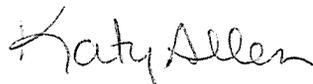
\*The 2006-2007 Adopted Capital Budget was approved by the City Council on June 27, 2006.

**CEQA**

Not a project.



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KATY ALLEN  
Director, Public Works Department

For questions please contact MARYBETH CARTER, ASSOCIATE LANDSCAPE ARCHITECT, PARKS, RECREATION AND NEIGHBORHOOD SERVICES at (408) 793-4183.