



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: FIRE STATION NO. 19
RELOCATION PROJECT

DATE: 04-27-09

Approved

Date

5/1/09

COUNCIL DISTRICT: 4

RECOMMENDATION

Approval of the first amendment to the agreement for consultant services with Don Dommer Associates, Inc., (DDA) for the Fire Station No. 19 Relocation Project extending the term of the agreement from June 30, 2009 to March 31, 2010, and increasing the amount of \$35,000, for a total agreement amount not to exceed \$360,000.

OUTCOME

Approval of the first amendment to the agreement between the City and DDA will (1) increase the compensation to pay for full construction administration services to be provided by the consultant, and (2) will extend the agreement to enable the consultant to provide construction administration services throughout the construction and project close-out periods.

BACKGROUND

On April 24, 2007, Council approved the master agreement with DDA for architectural services for the Fire Station No. 19 Relocation Project. The agreement amount was for \$325,000 and was executed on June 7, 2007.

To compensate the consultant for additional work that was required throughout the design phase, the Director of Public Works, as authorized under Exhibit D of the agreement, reallocated fees between phases of the agreement without modifying the overall compensation on the following dates:

- On November 28, 2007 the Director of Public Works, via letter transferred \$18,370 from the additional services to the design development task and authorized additional structural engineering fees to address revised local geotechnical conditions.
- On May 15, 2008, the Director of Public Works, via letter; transferred \$22,499 of the \$40,967 cost for a second set of construction documents from the additional services task to the construction document task and directed floor plan changes that would improve the station's functionality based on recently constructed new fire stations.

- On November 13, 2008, the City authorized the re-allocation of the remaining amount of \$18,468 from Construction Administration Services to Contract Documents to complete the payment for the second set of 100 percent construction documents.

ANALYSIS

The second and third authorization described above required DDA to perform evaluations of alternate products and design changes proposed by the City. This work subsequently resulted in recommended revisions to the Plans and Specifications after the 100 percent Construction Document package had been completed. This directive therefore required the consultant to perform additional professional design and evaluation services beyond the amount budgeted for additional services in the current agreement. These design changes were needed to implement lessons learned from the recent design and construction of five new fire stations. Implementation of these design changes and modifications required the expansion of DDA's scope of work to include a second set of 100 percent construction documents for which the consultant agreed to perform at a cost of \$40,967.

Increasing the amount of compensation by \$35,000 will restore construction administration fees that were previously reallocated for design services and will provide adequate funds to secure additional services that might become necessary during the construction or closeout phases of the project.

No additional funds are required to be appropriated to the project for this action and Public Works staff does not anticipate that any additional compensation will be required for the consultant to complete the construction administration of the project. The extension of the agreement is needed to recognize the additional time required to complete the second 100 percent Construction Document submittal, and to complete the construction administration of the project within the revised term of the agreement.

Construction began in September 2008 and is approximately 30 percent complete. Project completion is on schedule for early winter 2010.

EVALUATION AND FOLLOW-UP

Upon approval of the first amendment to the agreement, staff does not anticipate that any Additional council action will be required for the completion of the design or the construction administration of the project.

POLICY ALTERNATIVES

Alternative #1: Use of City staff for the balance of the construction administration services not covered under the current agreement.

Pros: City staff would perform a greater portion of the construction administration and all final sign-offs and Construction Record Document and related contract closeout work.

Cons: City Staff are not the Architects of Record for the subject projects. The consultant architect is the Architect of Record, responsible for certifying that the construction was implemented in accordance with the contract documents and for producing the Record Documents. Furthermore the requested additional services task monies may be required for additional engineering support services during critical stages of construction which could cause project delays and associated costs.

Reason for not recommending: Reliance on City resources for performing the duties of the Architect and Engineers of Record during construction would not provide for sufficient certification and record documentation required for an Essential Services Facility. As the authors of the design documents the consultant are the appropriate entity to perform this service and the existing agreement would not have sufficient funds to compensate them for said services.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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; however, this memorandum will be posted on the City's website for the May 19, 2009 Council agenda.

The community participated in the pre-design process through meetings held in 2007 and 2008.

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San Jose Post Record*. Bid packages for all Department of Public Works construction projects were provided to various contractor organizations and builder's exchanges.

COORDINATION

The first amendment to the agreement and this memorandum have been coordinated with the Departments of Finance, Fire, Planning, Building and Code Enforcement, the City Manager's Budget Office and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with Council-approved Budget Strategy Economic Recovery section in that it will help to stimulate the economy. .

COST SUMMARY/IMPLICATIONS

| | | |
|----|---|--------------------|
| 1. | AMOUNT OF RECOMMENDATION/COST OF PROJECT: | \$35,000* |
| | Project Delivery | \$1,960,850 |
| | Construction | 3,455,500 |
| | Contingency | 172,775 |
| | TOTAL PROJECT COST | \$5,589,125 |
| | Prior Year Expenditures | <u>\$1,139,125</u> |
| | REMAINING PROJECT COSTS | \$4,450,000 |

* A total of \$1,139,125 was expended and encumbered from 2002-2003 thru 2007-2008 for project delivery costs for Fire Station No. 19.

| | | |
|----|--------------------------------------|---------------------------|
| 2. | COST ELEMENTS OF AGREEMENT/CONTRACT: | |
| a. | ELEMENTS OF CONSTRUCTION CONTRACT: | \$3,455,500 |
| | This is a Lump Sum Contract. | |
| b. | ELEMENTS OF AGREEMENTS: | |
| | CURRENT * | AMENDMENT |
| | Schematic Design | \$17,088 0 |
| | Design Development | \$46,425 0 |
| | Contract Documents | \$187,108 |
| | Bidding and Award | 3,765 0 |
| | Construction Administration | \$60,500 \$18,500 |
| | Additional Services | 10,114 \$16,500 |
| | TOTAL CURRENT AGREEMENT: | \$325,000 \$35,000 |
| | TOTAL CURRENT PLUS AMENDMENT: | \$360,000 |

* Including all prior reallocations authorized by the Director of Public Works.

3. SOURCE OF FUNDING: 475 – Neighborhood Security Bond Fund
 392 - Construction and Property Conveyance Tax
 Fund: Fire Protection Purposes
4. OPERATING COSTS: Due to the increased square footage of the new fire station facility, additional maintenance and operations costs, as well as additional utility costs totaling \$9,000 in 2009-2010 and annualized to \$21,000 in 2010-2011, will be assumed in the 2009-2010 Proposed Operating Budget.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction and contingency costs.

| Fund # | Appn # | Appn. Name | RC # | Total Appn | Amt. for Contracts | 2008-2009 Adopted Budget (Page) | Last Budget Action (Date, Ord. No.) |
|---|--------|---|--------|--------------------|--------------------|---------------------------------|-------------------------------------|
| Remaining Project Costs | | | | \$4,450,000 | | | |
| Current Funding Available | | | | | | | |
| 475 | 5162 | Fire Station No. 19 Relocation (Piedmont) | 139775 | \$4,092,000 | \$35,000 | V-885 | 02/10/09 Ord. No. 28492 |
| 392 | 5162 | Fire Station No. 19 Relocation (Piedmont) | 139775 | \$225,000 | | V-885 | 02/10/09 Ord. No.28492 |
| Total Current Funding Available | | | | \$4,317,000 | | | |
| Funding in Future Years of the CIP | | | | | | | |
| 475 | 5162 | Fire Station No. 19 Relocation (Piedmont) | 139775 | \$133,000 | 0 | V-895 | |
| Total Funding Available | | | | \$4,450,000 | \$35,000 | | |

CEQA

CEQA: Exempt, PP06-116 (FIRE STATION NO. 19)

Katy Allen
 KATY ALLEN
 Director, Public Works Department

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, at (408) 535-8300.

KJ:lw