



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 02-01-10

Approved:

Date:

2/4/10

COUNCIL DISTRICT: 1

SUBJECT: FIRST AMENDMENT TO THE AGREEMENT WITH KRONG DESIGN, INC. FOR ARCHITECTURAL SERVICES FOR THE CALABAZAS BRANCH LIBRARY PROJECT

RECOMMENDATION

Approval of the first amendment to the agreement for architectural consultant services for the Calabazas Branch Library Project with Krong Design, Inc., extending the term of the agreement from February 28, 2011 to December 31, 2011, and increasing the amount of compensation by \$85,000, for a total amount not to exceed \$943,000.

OUTCOME

Extending the agreement term and increasing the contract amount will allow Krong Design, Inc. (KDI) sufficient time and fee to provide basic services as required due to the change of project schedule and to provide additional services as required during construction phase.

BACKGROUND

On January 8, 2008, Council approved an agreement with KDI to provide architectural services for design and construction administration to replace the existing Calabazas Branch Library constructed in 1966, located at 1230 Blaney Avenue. This is the nineteenth branch library project for the City of San José. The project will be constructed using the Branch Library Bond Project Fund and the Subdivision Park Trust Fund. Design of the new library began in February 2008 and was completed in March 2009. The original project schedule was to advertise and bid in spring 2009, start construction in summer 2009 and complete in winter 2011.

On June 16, 2009, the City Council approved the 2010-2014 Adopted Capital Improvement Program (CIP) and 2009-2010 Adopted Capital Budget. In order to defer the operating and maintenance impact on the General Fund, the opening of the Calabazas Branch Library was deferred by one year, which resulted in the project schedule being delayed by about ten months. The revised milestones for this project are as follows: bid opening was December 10, 2009,

contract award is scheduled for February 23, 2010, and start of construction is scheduled for spring 2010.

The \$30,000 earmarked for additional services in the original agreement has been nearly exhausted. It was primarily used for on-site drainage redesign, landscape design revisions to address the on-site storm water treatment and drainage issues and for re-estimate of the construction cost due to the deferred schedule. The current balance remaining is approximately \$3,800.

ANALYSIS

The City's schedule for occupancy of the library was pushed out due to deferral of the operating budget for the facility in the 2009-2010 Operating Budget. The project design and construction documents were completed in March 2009 as scheduled, at which time further work by the consultant was suspended. The deferral of the opening of the library has necessitated amending the consultant agreement for two reasons: 1) to extend the duration of professional services, and 2) to increase the compensation to replenish the nearly exhausted additional services fund.

The total duration increase on consultant services is expected to be ten months which includes eight months extension due to the schedule deferral and two additional months for the consultant to provide assistance during the project close-out phase. The duration allotted for project close-out in the original agreement was determined insufficient based upon the recent experience with other similar projects.

The current balance of the additional services fund in the original agreement may not be sufficient to compensate the consultant for additional services to address requirements that might arise during the construction phase. Staff suggests replenishing the additional services fund by \$85,000 to allow staff to effectively manage the construction. All the additional services are negotiated and authorized separately either on time and material or on a lump sum basis. Staff may request the consultant to provide back up information to validate its lump sum proposal should it become necessary. The unused fund will be returned to the bond program.

The total recommended fee increase in this amendment is \$85,000. Given the current project status, staff believes that the increased fee and time extension are reasonable. The projected construction completion is in summer 2011.

EVALUATION AND FOLLOW-UP

A memorandum to award the contract for construction of the facility will be brought forth for Council's approval at the same time with this memorandum. No further Council follow-up is anticipated at this time.

POLICY ALTERNATIVES

Alternative #1: Direct City staff to provide the required services with in-house resources.

Pros: Increased work opportunities for current staff.

Cons: Impacts the project schedule and the workload of the staff assigned to the project. Shifting existing staff resources to this project at this time could potentially delay this or other projects.

Reason for not recommending: Staff is currently fully utilized through the end of FY 2009-10, resulting in no available staff who is familiar with the nature of this added work at this time. The use of the architectural consultant to complete this work results in savings of time and funds due to the continuity of keeping the same project team on the project as well as maintaining clearly defined professional responsibility.

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)**

The approval of this agreement does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted on the City's website for the February 23, 2010 Council agenda.

COORDINATION

This amendment to the agreement and memorandum have been coordinated with the Departments of Library and 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 the Council-approved Budget Strategy, Economic Recovery section, in that it will help to stimulate construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$85,000

Project Delivery	\$1,987,000
Construction	4,860,000
Contingency	730,000
Public Art	102,000
Total Project Costs:	\$7,679,000
Prior Year Expenditures (anticipated through June 2009)	(1,423,057)
Remaining Project Costs:	\$6,255,943

2. COST ELEMENTS OF AGREEMENT:

	<u>Original</u>	<u>Add</u>	<u>Amended</u>
Phase 1 – Project Feasibility/Development	\$36,200	\$ 0	\$ 0
Phase 2 – Property and Land Acquisition	0	0	0
Phase 3 – Design	593,600	0	0
Phase 4 – Bidding & Contract Award	13,900	0	0
Phase 5 – Construction	131,400	0	0
Phase 6 – Post Construction	32,900	0	0
Additional Services	30,000	85,000	115,000
Reimbursable Expenses	20,000	0	0
TOTAL AGREEMENT AMOUNT:	\$858,000	\$85,000	\$943,000

3. SOURCE OF FUNDING: 375 - Subdivision Park Trust Fund
472 – Branch Libraries Bond Projects Fund

4. OPERATING COSTS: The annual operating and maintenance impact on the General Fund for the Calabazas Branch Library is anticipated to be \$1,057,000 beginning in 2011-2012. This funding was included in the Preliminary 2011-2015 General Fund Forecast, which was released on October 30, 2009.

BUDGET REFERENCE

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

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02-01-10

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for Architectural Services for the Calabazas Branch Library Project**

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Fund #	Appn #	Appn. Name	Total Appn	Amt. For Contract	2009-2010 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$6,255,943	\$85,000		
Current Funding Available						
375	6234	Calabazas Branch Library Community Room	353,000		V-595	06/23/09 Ord. No. 28593
472	5528	Calabazas Branch	5,562,000		V-249	10/20/09, Ord. No. 28653
Total Current Funding			\$5,915,000	\$85,000		
Funding in Future Years			\$437,000			
Total Funding for Project			\$6,352,000	\$85,000		

CEQA

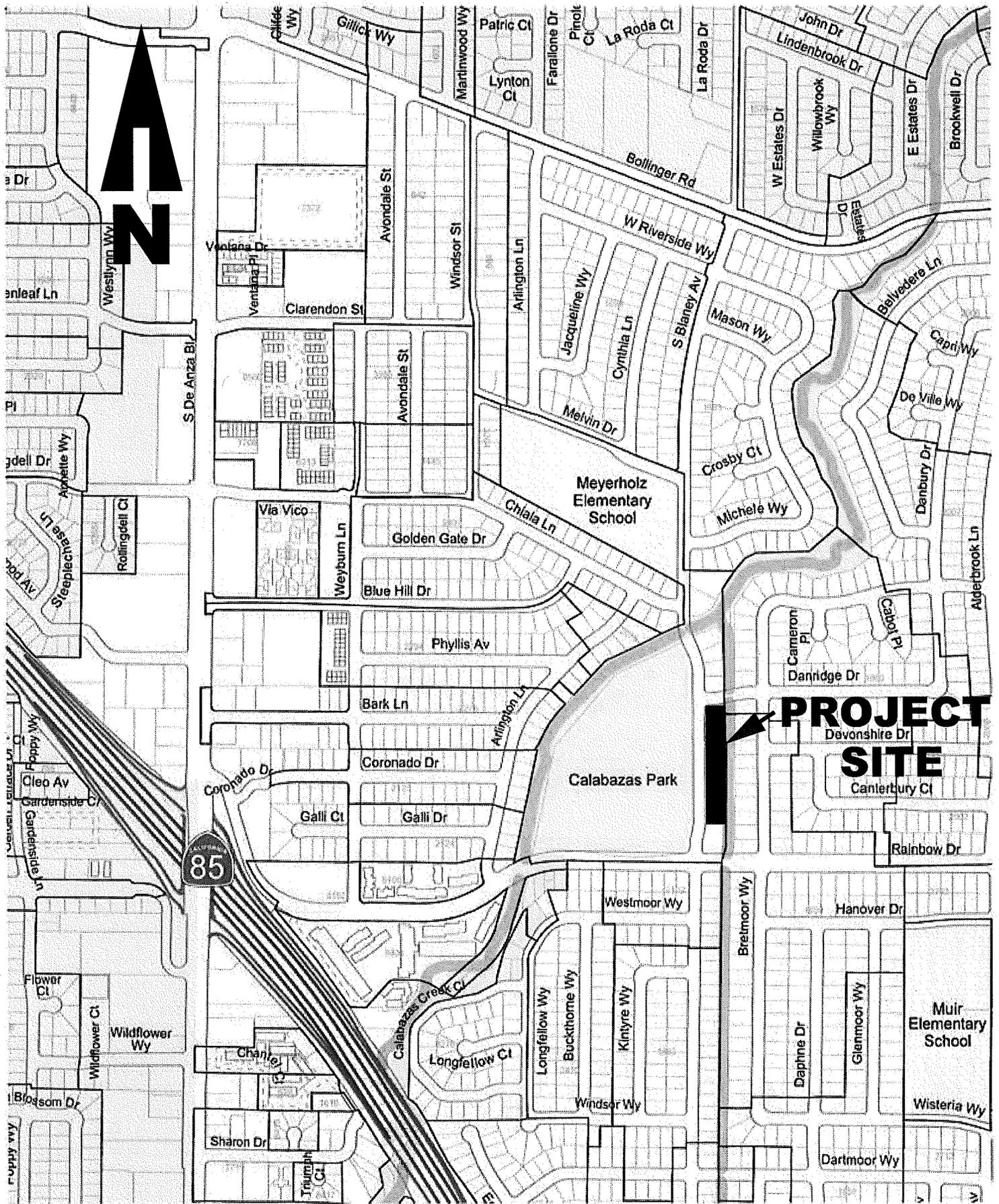
CEQA: Mitigated Negative Declaration, PP08-023



KATY ALLEN
Director, Public Works Department

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

Attachment
KJ:DT:an



CALABAZAS BRANCH LIBRARY

Location Map

Not to Scale