



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen  
Jane Light

**SUBJECT:** SEE BELOW

**DATE:** 06-01-10

Approved:

Date: 6/8/10

**COUNCIL DISTRICT: 8**

**SUBJECT: AGREEMENT FOR DESIGN CONSULTANT SERVICES FOR THE  
SOUTHEAST BRANCH LIBRARY PROJECT**

## RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute a consultant agreement with the second highest ranked consultant, LPA, Inc., for design consultant services including project design, preparation of construction documents and construction administration services for the new Southeast Branch Library, in a total amount not to exceed \$850,000.

## OUTCOME

This will enable the Southeast Branch Library project to start the architectural design phase and complete the construction phase as committed in the Branch Facilities Master Plan.

## BACKGROUND

The Southeast Branch Library is the twentieth branch library funded under the Library Bond passed by the voters in 2000. This will be a new 12,000 square foot library building located south of Evergreen Village Square between Classico Avenue and Ruby Avenue.

Consultant services are required to augment city staff for design of the library. The scope of work will include program review, conceptual design, schematic design, design development, preparation of construction documents, assistance during bidding, construction administration, and preparation and compiling of record documents.

In accordance with the City Green Building Policy, this facility will be developed to achieve LEED silver rating as the minimum credit level and registered with USGBC for certification.

In fall 2009, staff from the Department of Public Works (DPW) and the Library Department conducted an architectural consultant selection process in accordance with the City's

Qualifications Based Consultant Selection (QBCS) Policy and the Local Business and Small Business Preference Ordinance. The QBCS represents the City's intent to provide a fair and objective process that yields the highest quality professional services.

A Request for Qualifications (RFQ) for architectural services for the Southeast Branch Library was advertised on August 28, 2009. The City received Statements of Qualifications (SOQ) from 32 firms. After the initial screening of the SOQs, seven firms were invited to interview on November 5, 2009, by a panel consisting of representatives from DPW and Library and one community member.

Following the interviews, the panel ranked each consultant on the basis of qualifications identified in the publicly advertised RFQ. Each panel member used a predetermined rating sheet with a rating basis of 100 points scoring the consultants presentation and responses to standardized questions asked of all the interviewed consultants. The results of the interviews are shown below.

**Ranked List (as determined by the Interview Panel):**

1	Tetra Design + BFGC-IBI GROUP Joint Venture
2	LPA, Inc.
3	mFoeges / DPS
4	Anderson Brule Architects
5	AEDIS
6.	Krong Design /Studio G
7.	ArcTec / DSJ

In compliance with the QBCS Policy, the consultants interviewed were rated on the basis of their qualifications relative to the project and a number of various other criteria including:

- ◆ Ability to design buildings with a civic presence of similar scale and type;
- ◆ Creativity in design approach;
- ◆ Ability to work with regulatory agencies;
- ◆ History of successful community outreach;
- ◆ Project management approach; and
- ◆ Whether the firm is a local small business enterprise.

On December 14, 2009, the DPW director approved a request to begin negotiations with the top ranked consultant, Tetra-BFGC-IBI Group Joint Venture (Tetra), for the Southeast Branch Library project. The goal of the negotiation was to determine a reasonable compensation that reflects the current market condition as well as provides a full service scope.

## **ANALYSIS**

To establish the goal of reasonable compensation and get better understanding of market trends, staff collected and analyzed various fee data of other completed library projects as well as other available benchmark fee information. The results of the study were used as the guideline for negotiations.

Tetra submitted its first proposal on February 19, 2010. The amount was much higher than staff expected to reflect the current market condition. Tetra was given plenty of opportunity to voluntarily reduce the proposed amount and meet with staff to discuss the City's goal and the market trend. After three more months and six more revisions, Tetra was not able to lower its fee within five percent of the City's goal without compromising the service scope. At this juncture, staff determined to release Tetra from the negotiation and move on to the next highest ranked consultant, LPA, Inc. (LPA).

On May 17, the City staff informed Tetra that it was released from the negotiations of an architectural service proposal for the Southeast Branch Library project (see attachment "A"). On May 18, 2010, staff received a response from Tetra acknowledging the receipt of City's letter of Release of Negotiation and accepting the City's determination (see attachment "B").

On May 26, 2010, staff invited LPA to participate in the architectural consultant services negotiation for the Southeast Branch Library project. The actual negotiation process will begin in June 2010. Based upon the experience of previous successful negotiations, staff expects to conclude the negotiation in July 2010.

In September 2009, after a comprehensive community process, the City identified a preferred site at the Evergreen Village Square for this new branch library. An item for the authorization to negotiate and execute an agreement for the purchase of this property is being brought forward on the same agenda for Council's consideration. The adoption of both resolutions will enable the library design process to begin immediately after the execution of the real property purchase agreement.

## **EVALUATION AND FOLLOW-UP**

Due to the lengthy property acquisition process and the consultant service negotiations, the project schedule has been prolonged. The project is currently scheduled with a projected completion in winter 2013. No further follow-up is needed at this point.

## **POLICY ALTERNATIVES**

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

**Pros:** Increased work options for current staff.

**Cons:** Project costs will increase and delays to other projects will occur.

**Reason for not recommending:** Staff is fully utilized on other projects resulting in no available staffing resources until December 2010. Shifting resources from other projects to provide in-house services on this project would delay other projects and result in cost increase. Since the establishment of these bond projects, the importance of creating a City/consultant partnership has been recognized. The use of architectural design consultant results in fresh and innovative ideas being applied to the project along with the flexibility required to meet changing staffing needs. This agreement will provide added benefit of having an outside consultant working in partnership with City staff.

### **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. The Request for Qualifications was published in the *San José Post Record* and the City's Internet Bid Line, and automatic notifications of the Request for Qualifications were sent via email to all 85 firms on the list of pre-qualified architectural consultants.

Three community outreach meetings were held for the new library site selection. The first meeting was in October 2002, second meeting was in April 2003 and third meeting was in September 2009.

Future project meetings for the schematic design and public art processes will be advertised at the current Branch Library and at various nearby branch library locations, through community organizations, and over the Internet.

This memorandum will be posted on the City's website for the June 22, 2010 Council agenda.

### **COORDINATION**

This memorandum and agreement have been coordinated with the Departments of Planning, Building and Code Enforcement, Finance, 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: \_\_\_\_\_ \$850,000

Project Delivery	\$1,330,000
Construction	6,888,000
Contingency	689,000
Public Art	121,000
<b>Total Cost of Project</b>	<b>\$ 9,028,000</b>
Prior Year Expenditures	(23,813)
<b>Remaining Project Cost</b>	<b>\$ 9,004,187</b>

2. COST ELEMENTS OF AGREEMENT:

3. SOURCE OF FUNDING: 472 – Branch Libraries Bond Projects Fund

4. OPERATING COSTS: The annual operating and maintenance impact on the General Fund for the Southeast Branch Library is anticipated to be \$859,000 beginning in 2012-2013. This funding was included in the 2011-2015 General Fund Forecast, which was released on February 26, 2010.

**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 Contract	Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				\$9,004,187			
<b>Current Funding Available</b>							
472	4475	Southeast Branch	Various	\$1,071,000		V-254	06/23/09, Ord. No. 28593
<b>Funding in Future Years**</b>				\$8,018,000			
<b>Total Funding for Project</b>				<b>\$9,089,000</b>			

HONORABLE MAYOR AND CITY COUNCIL

06-01-10

**Subject: Agreement for Design Consultant Services for the Southeast Branch Library Project**

Page 6

An additional \$8,018,000 is budgeted for the Southeast Branch Library in the Branch Libraries Bond Projects Fund in 2010-2011 (\$7,770,000), 2011-2012 (\$200,000) and 2012-2013 (\$48,000).

**CEQA**

CEQA: Addendum to the Evergreen Specific Plan EIR, Resolution No.63719, File No. PP10-008.

/s/

KATY ALLEN  
Director, Public Works Department

/s/

JANE LIGHT  
Director, Library Department

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

RR:dt:dz  
Attachments