



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

SUBJECT: SEE BELOW

DATE: November 21, 2011

Approved

Date

11/30/11

SUBJECT: FOURTH AMENDMENT TO THE AGREEMENT WITH JEFFERSON WELLS INTERNATIONAL FOR AUDIT CONSULTANT SERVICES TO SUPPORT IMPLEMENTATION OF THE TERMINAL AREA IMPROVEMENT PROGRAM AT THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

RECOMMENDATION

Approve the Fourth Amendment to the agreement with Jefferson Wells International for continuation of on-call audit consultant services for the Terminal Area Improvement Program (TAIP) at the Norman Y. Mineta San José International Airport, increasing the total compensation by \$100,000 to a total not to exceed fee of \$700,000, and extending the term of the agreement to December 31, 2012.

BACKGROUND

On May 1, 2007, Council approved a master services agreement with Jefferson Wells International to provide professional audit consultant services related to the TAIP. Under master services agreements specific services are authorized by separate task orders as required. The general types of services provided under the existing agreement include, among other services, performing bi-annual audits of the TAIP design-build contractor. The agreement was amended on April 13, 2009, to allow for changes in consultant personnel to work on task orders, and was subsequently amended on December 17, 2010, to extend the term to June 30, 2011, and on June 14, 2011, to extend the term to December 31, 2011.

The majority of the facilities constructed under TAIP were opened for operation in June of 2010, and Hensel Phelps, Inc. (HP), the design build contractor, has completed the majority of the punch list and close-out work associated with these facilities. HP is currently completing additional roadway and signage work associated with the implementation of new parking facilities in the Terminal Zone.

ANALYSIS

During implementation of the TAIP the Airport deferred remodeling of several spaces in the terminals until such time as they were needed to support airline activity. Focused effort by the City to increase air service has resulted in increased flights, and it is anticipated that the trend of moderate growth in flights will continue. Accordingly, it is necessary to complete the upgrade and remodel of some of the previously deferred spaces so they are in rentable condition. HP is the most familiar with this work and is well positioned to complete it, and construction task orders have been issued to complete the work under the existing contract with them. As has been standard practice, Jefferson Wells will audit costs associated with this work.

The existing agreement with Jefferson Wells did not contemplate this additional work, and does not have sufficient available funds to complete the desired audits. Also, the schedule for the new construction extends beyond the expiration date of the agreement with Jefferson Wells. Staff is therefore recommending that additional funds in the amount of \$100,000 be added to the agreement and that the expiration date be extended to December 31, 2012, to allow adequate time to complete the audits. The agreement with Jefferson Wells is a master services agreement, and specific tasks will be authorized on an as needed basis by task order.

PUBLIC OUTREACH

- 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 item does not meet the above criteria requiring additional notification; however, it will be posted on the City's Council Agenda Website for the December 13, 2011, Council Meeting.

COORDINATION

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

November 21, 2011

Subject: Fourth Amendment to Agreement with Jefferson Wells International

Page 3

CEQA

Not a project, File No. PP10-066(d), Consultant Services for Design/Study/Research/Inspection.

COST SUMMARY AND IMPLICATIONS

- 1. AMOUNT OF RECOMMENDATION: \$100,000
- 2. COST ELEMENTS OF AGREEMENT:
 - Original Agreement \$500,000
 - Third Amendment \$100,000
 - Fourth Amendment (pending) \$100,000
 - TOTAL AGREEMENT AMOUNT: \$700,000
- 3. SOURCE OF FUNDING: 526 – Airport Revenue Bond Improvement Fund
- 4. FISCAL IMPACT: The amended agreement will have no adverse impact on the General Fund operating budget.

BUDGET REFERENCE

The table below identifies the funds and appropriation proposed to fund the contract recommended as part of this memo.

Fund #	Appn. #	Appn. Name	Total Appn. 2011-2012	Amt. for Contract	2011-2012 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
526	5253	Terminal Area Improvement, Phase I	\$66,222,000	\$100,000	V-680	06/21/2011 Ord. 28928

/s/
William F. Sherry A.A.E.
Director of Aviation

For questions, please contact Dave Maas, Deputy Director, at 408-392-3630.