



REPLACEMENT

Council Agenda: 10/02/12
Item: 2.7

**Subject: 6TH AMENDMENT TO AGREEMENT WITH
BUIS CONSTRUCTION SERVICES, INC. FOR
CONSTRUCTION MANAGEMENT
ADVISORY SERVICES**

City Council Action Request

Department: Housing	CEQA: Not a Project, File No. PP10-066(d).	Coordination: CAO	CMO Approval: 
			Dept. Approval: /s/Leslye Corsiglia

RECOMMENDED ACTION:

Approve a Sixth Amendment to the agreement with Buis Construction Services, Inc., for construction management assistance on affordable housing projects, increasing the amount of the agreement by \$100,000 from \$241,000 to \$341,000, extending the term of the agreement to June 30, 2013 and making other changes.

BASIS FOR RECOMMENDATION:

The Housing Department utilizes the services of consultants to assist with the construction management of affordable housing projects. Specifically, the consultants assist in evaluating construction budgets prior to loan approval from the City to ensure that budgets and schedules are appropriate for the planned affordable housing projects. The consultants also provide construction monitoring to ensure that construction expenditures are consistent with the project progress and requests for payments made to the City. During this process, the consultants identify any potential construction issues that may affect the overall cost and quality of the project. These services require affordable housing construction knowledge, familiarity with building codes, as well as financial analysis skills. The Department has chosen not to provide these services with City staff due to the inconsistent workload associated with the function and the unique set of skills required for the job.

The typical project takes 12 to 18 months to complete construction. When a City loan is involved, compensation to the consultant is \$16,000 to \$20,000 per project. The construction advisory services are budgeted and paid for by the project budget, which is funded in part by the City loan.

On April 6, 2007, the City issued a Request for Proposals (RFP) for construction management advisory services. The RFP indicated that the agreement would be a three-year agreement with two, one-year options for renewal. Through this process, the Housing Department selected Buis Construction Services, Inc. as the sole provider of this service for the City. Buis Construction Services, Inc. was selected based on the firm's extensive knowledge of affordable housing construction and its proven track-record working on the City of San José's affordable housing projects.

Approval of this action will allow the Housing Department to successfully oversee completion of four affordable housing projects currently under construction and three projects that will start construction in the current fiscal year. In addition, the amendment will allow the City to fulfill its construction oversight obligations for new projects being funded by the City and for projects where the City is the issuer for multifamily revenue bonds.

COST AND FUNDING SOURCE:

The source of funding is Fund 346 – Affordable Housing Investment Fund.

FOR QUESTIONS CONTACT: Leslye Corsiglia, Director of Housing, at 535-3851