

RESOLUTION NO. 75680

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE FINDING THAT THE DESIGN-BUILD PROCUREMENT PROCESS FOR THE DESIGN AND CONSTRUCTION OF THE CONVENTION CENTER EXPANSION AND RENOVATION PROJECT WILL RESULT IN FASTER PROJECT COMPLETION THAN IF THE CITY USED A TRADITIONAL DESIGN-BID-BUILD PROJECT DELIVERY SYSTEM, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A DESIGN-BUILD CONTRACT WITH HUNT CONSTRUCTION FOR THE PROJECT, AUTHORIZING THE ESTABLISHMENT OF A CONTINGENCY, AND AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO ISSUE CHANGE ORDERS UP TO THE AMOUNT OF THE CONTINGENCY

WHEREAS, the Charter of the City of San Jose ("City") authorizes the City to negotiate and award a design-build contract for a public works project that meets the following criteria: (1) the project will cost more than \$5,000,000 and (2) the City Council finds that the design-build procurement process would save money or result in faster completion of the project; and

WHEREAS, on June 22, 2010, the City Council of the City adopted Resolution No. 75459 authorizing City staff to proceed with a Request for Proposal ("RFP") process to select a design-build entity for the Convention Center Expansion and Renovation Project ("Project"); and

WHEREAS, on October 5, 2010, the City Council approved the rankings of the RFP process and authorized City staff to negotiate a contract for the Project with the highest ranked design-build entity - Hunt Construction ("Hunt"); and

WHEREAS, on December 7, 2010, the City Council approved requiring the City Manager and Team San Jose to prepare a spending reduction plan to restore the 2009-2010 fund balance in Fund 536 ("Spending Reduction Plan"), and requiring submission

of the Plan to the City Council for approval before a contract for the Project is executed;
and

WHEREAS, the financing plan for the Project involves the sale of bonds, which is expected to occur sometime in the early part of next year; and

WHEREAS, the City desires to authorize the City Manager to negotiate and execute a design-build contract with Hunt, subject to the completion of bond financing, the appropriation of funds for the Project, and approval of a Spending Reduction Plan; and

WHEREAS, City staff has submitted a memorandum to Council for this item, dated November 22, 2010, and a supplemental memorandum, dated December 8, 2010, (collectively "Council Memoranda"), that outline the terms and conditions of the design-build contract with Hunt and that show the design-build procurement process will result in faster completion of the Project than the traditional design-bid-build procurement process; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

Section 1: Compliance with Design-Build Requirements

- A. The City Council hereby finds the following facts to be true:
 - 1. In Section 2 of this Resolution, the City Council is authorizing City staff to negotiate and execute a "design-build" contract with Hunt in an amount not to exceed \$117,000,000.

2. As demonstrated in the Council Memoranda, the Project can be delivered in approximately 34 months using a design-build project delivery system.
 3. As demonstrated in the Council Memoranda, the Project can be delivered in approximately 43 months using the City's traditional design-bid-build project delivery system.
- B. Based on the above facts, the City Council hereby makes the following findings:
1. That the contract with Hunt will cost more that \$5 million; and
 2. The design-build project delivery system will result in faster completion of the Project than if the City used a traditional design-bid-build project delivery system.
- C. Based on the above findings, the City Council hereby determines that the Charter requirements for negotiating and awarding a "design-build" contract for the Project are satisfied.

Section 2: The "Design-Build" Contract and Contingency

Subject to the completion of the related bond financing, the appropriation of funds, and the City Council's approval of the Spending Reduction Plan, the City Council hereby authorizes the following:

1. The City Manager is authorized to negotiate and execute a "design-build" contract with Hunt for the Project in an amount not to exceed \$117,000,000. The terms and conditions of the contract must be

consistent with the terms and conditions described in the Council Memoranda.

2. A City-controlled contingency in the amount of \$3,000,000 is authorized to be established for the Project, and the Director of Public Works is authorized to issue change orders of any cost for the Project in a total amount not to exceed the amount of this contingency.

ADOPTED this 14th day of December, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,
KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



LEE PRICE, MMC
City Clerk