

Agenda Report

TO: CITY COUNCIL

February 14, 2000

FROM: City Manager

RE: Contract amendments with Architectural Resources Group for architectural and engineering services, and Daniel, Mann, Johnson & Mendenhall for construction management services, for the restoration and seismic retrofit of City Hall

RECOMMENDATION:

It is recommended that the City Council:

- (1) Authorize the City Manager to execute an amendment to Contract No. 16,899 with the Architectural Resources Group for architectural/engineering services for the restoration and seismic retrofit of City Hall that will increase the contract "not to exceed" amount from \$900,000 to \$7,180,000. Authorize the expenditure of only \$1,000,000 of this amount before December 2000 for completion of partial Design Development activities, with any further expenditure of funds contingent upon subsequent City Council decisions concerning the project.
- (2) Authorize the City Manager to execute an amendment to Contract No. 16,976 with Daniel, Mann, Johnson & Mendenhall for construction management services in connection with the restoration and seismic retrofit of City Hall that will increase the contract "not to exceed" amount from \$100,000 to \$2,490,000. Authorize the expenditure of only \$300,000 before December 2000 for the completion of partial Design Development activities, with any further expenditure of funds contingent upon subsequent City Council decisions concerning the project.
- (3) Approve a journal voucher transferring \$1,300,000 from the Charter Capital Reserve to Budget Account 71904 (City Hall Seismic Upgrade and Exterior Restoration) to cover the estimated cost of the two recommended consultant contract amendments for the balance of calendar year 2000. If the project is ultimately funded by other sources, the \$1,300,000 will be repaid to the Charter Capital Fund.
- (4) Grant the proposed Contract Amendment with the Architectural Resources Group an exemption from the competitive selection process required by the Affirmative Action in Contracting Ordinance pursuant to Pasadena Municipal Code Section 4.09.060(C), best interests (cost and other City policy).

SUMMARY:

The report describes the part played in development of the project that calls for the restoration and seismic upgrade of City Hall by various architectural and engineering consultants. It also describes the overall and short term scopes of work, costs, and reasons for the recommended amendment of existing consultant contracts with the Architectural Resources Group and Daniel, Mann, Johnson & Mendenhall designed to advance the project.

BACKGROUND:Introduction

On January 31, 2000 the City Council considered, but did not act on, the recommendation of the City Hall Restoration Oversight Committee that Alternate D, Base Isolation and New Office Wing, as presented in the June 1995 *Report on Seismic Evaluation and Upgrade Concepts for the Pasadena City Hall* prepared by Forell/Elsessor Engineers, Inc. and in the December 1999 *Pasadena City Hall Seismic Upgrade Cost Estimate* prepared by Daniel, Mann, Johnson & Mendenhall, as revised by City staff, be used as the basis for proceeding with plans for the restoration and seismic upgrade of City Hall. The recommendation will be reviewed in conjunction with the recommended consultant contract amendment described below. The total budget estimate for the project in 2001 dollars is \$96.6 million.

Previous Consultant Contracts and Services

The actions recommended by the January 31, 2000 agenda report and this report are the latest steps in a process dating back to 1985, when following a widespread competitive selection process, Contract No. 12,236 was awarded to the Architectural Resources Group (ARG) of San Francisco for architectural services for the limited exterior restoration of City Hall. The firm was selected because of its extensive experience with, and considerable reputation for, the sensitive handling of historic preservation projects.

In 1990, Contract No. 14,256 was awarded to ARG for the preparation of design drawings and construction contract documents for the restoration of other selected building elements. The architectural services were to be coordinated with a preliminary seismic study being carried out by the structural engineering firm of Dames and Moore. Only a limited portion of the planned improvements were completed because of concerns that construction of the remainder might either conflict with measures needed to strengthen City Hall to meet modern seismic engineering standards or be vulnerable to damage in a major earthquake.

Concerns raised by damage to City Hall caused by the 1991 Sierra Madre earthquake and the 1994 Northridge earthquake underscored the need to move ahead with plans for the seismic upgrade of City Hall. Consequently, in March 1994 following an extensive competitive selection process, Contract No. 15,390 was awarded to Forell/Elsesser Engineers, Inc. (F/E E,

Inc.) of San Francisco to expand and refine the preliminary seismic study. The firm was selected because of its experience with projects for the retrofit of the San Francisco and Oakland City Halls damaged by the October 1989 Loma Prieta earthquake, a past working relationship with ARG, and a feel for preservation aesthetics demonstrated by the retrofit of several historic structures (including San Francisco City Hall) designed by Bakewell & Brown, Pasadena City Hall's architects.

In June 1995 F/E E, Inc. submitted a *Report on Seismic Evaluation and Upgrade Concepts for the Pasadena City Hall*. The report analyzed the earthquake related strengths and weaknesses of the building, presented seismic upgrade recommendations, assessed hazards represented by non-structural elements, and provided construction cost estimates for several retrofit strategies. The report found that, in general, the performance of City Hall in a major earthquake is expected to be poor and may result in serious life/safety hazards. Given the potential for localized structural instability and life/safety hazards, the report concluded that some level of seismic upgrade was required to attain a reasonable level of performance in a major earthquake.

Subsequent to receipt of the report, ARG and F/E E, Inc., revised the proposed upgrade schemes to reflect staff input and expanded the scope of work for each to include the upgrade of building systems discovered to be not in compliance with present standards because of functional obsolescence and the effects of long term deferred maintenance. This expansion of the scope of work also focused on the preservation and restoration of the building's historic features.

Existing Consultant Contracts and Services

The staff negotiated with ARG for the preparation of schematic drawings and other materials based on Alternate D recommended in December 1998 by a City Hall Seismic Oversight Committee appointed by the City Manager's office. Contract No. 16,899, awarded by the City Council to ARG in March 1999, provided \$900,000 for planning and schematic drawings preparation. In order to provide continuity of effort, F/E E, Inc. was selected to serve as structural engineering subconsultants to ARG.

Contract No. 16,976 for construction management services was awarded to Daniel, Mann, Johnson & Mendenhall (DMJM) by the City Council in June 1999. The firm was awarded the contract following a wide-reaching competitive selection process because of its worldwide reputation for maintaining strict schedule and cost control on long, complex renovation projects, including base isolation seismic upgrades. The contract provided \$100,000 for its initial phase carried out in tandem with the work being done by ARG. The work consisted of value engineering, that is comparing different ways of achieving a stated purpose; optimizing scheduling concepts by comparing the advantages/disadvantages of obtaining a single construction bid with breaking up the construction up into multiple-bid packages; and preparing budget estimates based on the schematic drawings and related scope of work narratives. All of these analyses looked at cost savings versus their impact on historic preservation goals and the disruption of day-to-day City Hall activities.

At the time of contract award, the City Council was advised that it was the staff's intent to recommend DMJM for subsequent construction management services if the Council decided to go ahead with the project and if DMJM's services were judged to be exceptional.

In July 1999, schematic drawings, accompanying schematic system narratives describing the scope of the proposed work, and a detailed cost estimate based on Alternate D were submitted to the California Office of Emergency Services (OES) for forwarding to FEMA.

During the second half of 1999, work continued on constructability issues, focusing in large part on details affecting reuse of the basement and on whether to stage or totally vacate the building during construction.

In December 1999, a new City Hall Restoration Oversight Committee voted to recommend to the City Council that Alternate D (Base Isolation and New Office Wing) be used as the basis for proceeding with plans for the restoration and seismic upgrade of City Hall and that the work be carried out by vacating the entire structure at the time of construction. The Committee also stated that it was pleased with the performance of ARG and DMJM and recommended that their contracts could be amended to allow them to continue their work on the project.

Proposed Consultant Contract Amendments and Services

It is recommended that Contract No. 16,899 with the Architectural Resources Group be amended as outlined below to provide for the activities required to complete the project.

Phase 1	- Planning/Schematic Drawings	\$ 900,000	(completed)
Phase 2A	- Partial Design Development	1,000,000	
2B	- Final Design Development and Construction Documents	3,030,000	
Phase 3	- Construction	<u>2,250,000</u>	
		\$7,180,000	

The Phase 2 services to be provided consist primarily of the preparation of plans and specifications for architectural, structural, mechanical, electrical, civil, landscape, interior design, and other elements of the proposed construction. They also include rendering assistance during the bidding period by answering questions from potential bidders, evaluating proposed substitutions or alternative products or methods, preparing addenda as needed, evaluating bids, and preparing contract award recommendations.

The Phase 3 services to be provided consist primarily of administrative and technical tasks, such as making periodic site visits to monitor the progress and quality of the work, reviewing shop drawings and other contractor submittals, responding to contractor requests for

information and/or clarification of contract documents, reviewing change order requests and preparing necessary drawings and specifications, reviewing progress and final payment requests, overseeing the selection and installation of furniture, fixtures, and equipment, and representing and advising the staff regarding contractor claims. Post-contract services to be provided consist of establishing programs for the maintenance and operation of the physical plant and equipment, reviewing as-built drawings, and advising the staff throughout equipment warranty periods regarding any performance defects or deficiencies.

The amounts shown for the Phase 2 and 3 scopes of work have been negotiated with ARG and are felt to be consistent with industry standards and fair and reasonable for the efforts that will be required.

The proposed contract amendment should be exempted from the competitive selection process required by the Affirmative Action in Contracting Ordinances pursuant to Section 4.09/060(C) of the Pasadena Municipal Code since the affirmative action and equal opportunity employment results attainable are substantially outweighed by the cost of achieving compliance. The proposed contract amendment was negotiated directly with ARG since the proposed services are a continuation of work already performed by the firm and its structural engineering subconsultant, F/E E, Inc. A new consultant could not prepare the restoration and seismic upgrade construction contract documents without independently verifying the assumptions and calculations upon which the planned work is based. This duplication of effort would be impractical and unduly costly. Moreover, the time required to complete such efforts would result in an escalation in the cost of construction, threaten the loss of the Federal funds controlled by FEMA, and delay action on work needed to protect public health and safety.

It is also recommended that Contract No. 16,976 with Daniel, Mann, Johnson & Mendenhall be amended as shown below to allow for the continuation of needed services.

Phase 1	- Planning/Schematic Drawings	\$ 100,000 (completed)
Phase 2A	- Partial Design Development	300,000
2B	- Final Design Development and Construction Documents	165,000
Phase 3	- Construction	<u>1,925,000</u>
		\$2,490,000

The Phase 2 services to be provided, which are intended to complement the architectural/engineering services to be provided by ARG, consist of coordinating the activities of the independent geotechnical and survey consultants; comparing initial costs with life-cycle costs for building systems; performing constructability reviews; preparing phasing/sequencing plans to evaluate disruption during construction/relocation; finalizing division of the work into multiple-bid packages and preparing bidding documents therefor; updating project budget estimates as design work progresses; preparing monthly status reports on design, budgeting,

and scheduling activities; prequalifying bidders; and evaluating bids and making recommendations on contract awards.

The Phase 3 services to be provided consist of construction management tasks, such as scheduling and coordinating contractor activities; overseeing safety programs; coordinating materials testing; providing full-time on-site monitoring of the work for compliance with the plans and specifications; advising on, negotiating, and preparing change orders; reviewing and processing progress and final payment requests; arranging for the delivery and storage of City-purchased materials and equipment; maintaining master, CPM (critical path method) construction schedules; advising on contractor claims; and preparing lists of unsatisfactory work to be remedied before final payments may be released. Post-contract services to be provided consist chiefly of providing as-built drawings, developing an occupancy schedule, and helping coordinate move-in operations.

The amounts shown for the Phase 2 and 3 scopes of work have been negotiated with DMJM and, like those for ARG, are felt to be consistent with industry standards and fair and reasonable for the work involved.

The City's Request for Proposals and DMJM's Proposal for the construction management contract specifically provided for a start-to-finish scope of work with later amendment of the initial contract subject to City Council approval of the scope of services and negotiated fees. Accordingly, an exemption from the competitive selection process required by the Affirmative Action in Contracting Ordinance is not required.

As the success of efforts to secure funding for the project to be undertaken under a proposed contract with Cerrell Associates, Inc. cannot be predicted at this time, it is recommended that the proposed contract amendments with ARG and DMJM limit their Phase 2 activities and costs as described below:

	<u>Scope of Work</u>	<u>Cost</u>
ARG	Preparation of partial Design Development Documents (30 percent); coordination of Section 106 review leading to a Memorandum of Agreement with FEMA and the State Historic Preservation Officer (SHPO); coordination of Environmental Impact Report preparation; and continuation of the zoning variance process.	\$1,000,000
DMJM	Coordination and oversight management of costs, schedules, and preparation of the documents described above in the ARG scope of work.	\$ 300,000
		<u>\$1,300,000</u>

The proposed Contract Amendments will specify that this reduced scope of work shall be completed by December 31, 2000 and that no payments will be made in excess of the above amounts. At that time, it is expected that an interim evaluation will be available of the City's prospects for securing state, federal, or other funds so that a decision can be made about authorizing funding for additional activities by the consultants.

Even though funding for the restoration and seismic upgrade has not been secured at this time, it is recommended that the proposed amendments to the contracts with ARG and DMJM, with the limitations described above, be approved now. Moving forward now will demonstrate to OES and FEMA that the City is committed to proceeding with the seismic upgrade of City Hall and, thereby, enhance the City's chances for securing Federal funds.


No consultant work beyond the Phase 2A activities to be completed by December 2000 can be undertaken without future City Council approval. In addition, the two consultant contract amendments will contain provisions that allow the City to terminate them without cause upon 15 calendar days written notice.

FISCAL IMPACT:

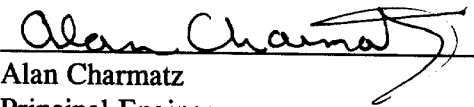
The total budget estimate for the project is \$96.6 million. The combined cost for the architectural, engineering, and construction management services to be provided by the Architectural Resources Group (ARG) and Daniel, Mann, Johnson, & Mendenhall (DMJM) in order to complete the project is \$7,770,000.

Expenditures to date on the restoration and seismic upgrade of City Hall total approximately \$2,300,000. Approval of the recommended journal voucher transferring \$1,300,000 from the Charter Capital Fund to Budget Account 71904 (City Hall Seismic Upgrade and Exterior Restoration) will fund work on the Design Development and Construction Documents phase of the project by ARG and DMJM, for the balance of calendar year 2000. If project funding is obtained, any City advances will be repaid, if funding is not obtained, the City's exposure will be \$1,300,000.

Respectfully submitted,

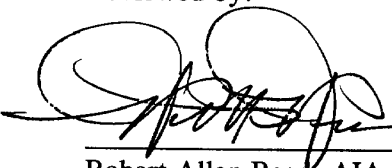

CYNTHIA J. KURTZ
City Manager

Prepared by:

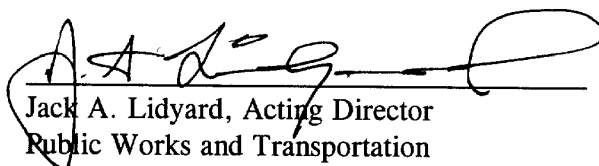


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