



DATE: June 21, 2016

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Amend Professional Services Agreement with Dahlin Group, Community Center Design, Project 15-43**

RECOMMENDATION

Authorize the City Manager to amend the professional services agreement with Dahlin Group, Inc., for the Community Center Design, Project 15-43, increasing compensation by \$333,055, for a total contract not-to-exceed amount of \$1,473,285.

BACKGROUND

On January 13, 2015, the City Council approved a contract with Dahlin Group, Inc., for \$1,140,230 to provide architectural design services to remodel and expand the Community Center. In March 2015, Council approved the conceptual design layout of the project followed by Council approval of the schematic design in June 2015.

In October 2015, staff notified Council about the increased project costs, and Council authorized design work to proceed based on the higher cost estimate. The proposed Fiscal Year 2016-17 Capital Improvement Program includes a \$4.25 million augmentation to the budget for Rengstorff Park Community Center Construction, Project 17-32.

ANALYSIS

While the project budget increased in October 2015, there was no corresponding amendment to the scope or budget of design services. Several aspects of the project budget increase are related to added project scope, and therefore require additional design effort. They include:

- Provide a complete remodel of the basement;
- More extensive hazardous materials abatement;

- Additional mechanical, electrical, plumbing, and structural design;
- Coordination of separate projects with project design, including the installation of a new water main through the parking lot, new Rengstorff Park lighting, and acquisition of a solar system.

Staff worked with Dahlin Group, Inc., on an amendment to the design scope of services and negotiated a recommended increase in compensation of \$333,055 to the existing \$1,140,230 contract for total compensation of \$1,473,285. Staff believes this amount to be fair and reasonable for the services required.

As an independent check of the design fees, staff compared the recommended contract amount as a percentage of estimated construction cost with similar projects. Typically, design fees on building projects are 10 percent to 13 percent of the total construction costs. With the recommended amendment, the design fees for the Community Center are at approximately 10 percent, which is the lower end of this range.

FISCAL IMPACT

Community Center Design, Project 15-43, is funded with \$2.9 million from the Park Land Dedication Fund. There is sufficient available balance in the project to fund the recommended amendment, and no additional appropriation is required.

ALTERNATIVES

1. Direct staff to renegotiate the amended scope and fees.
2. Seek other designers to perform the additional work.
3. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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LA/TS/3/CAM
911-06-21-16CR-E

cc: PCE – Au, AAI – Grimm, f/c (15-43)