



JOINT CITY COUNCIL AND
CARLSBAD MUNICIPAL WATER DISTRICT

Staff Report

Meeting Date: Aug. 21, 2018
To: Mayor/President and City Council/Board
From: Scott Chadwick, City Manager
Staff Contact: Steven Stewart, Municipal Projects Manager
Steven.Stewart@Carlsbadca.gov or 760-602-7543
Subject: Amendment No. 3 to the Professional Services Agreement with Roesling, Nakamura Terada Architects, Inc. and additional project funding for the Orion Center.

Recommended Action

Adopt a Resolution authorizing Amendment No. 3 to the Professional Services Agreement with Roesling, Nakamura, Terada Architects, Inc. (RNT) to incorporate additional work scope into the bridging documents for the Orion Center, Project No. 3572 (Project), in an amount not to exceed \$320,000, and an additional net appropriation of \$16,505,000.

Executive Summary

Additional funding is requested to expand the scope of the Project to maintain consistency with the city's Climate Action Plan, add infrastructure for flexible work space, centralize the city's material storage yards, add Police Department evidence storage and add a parking structure to the Project. To incorporate this additional work scope, staff seeks City Council approval for the professional design services associated with this work and additional Project funding. City Council authorization of the Amendment is required per Carlsbad Municipal Code section 3.28.060(D), as the value for this work is greater than \$100,000.

Discussion

Over the past 30 years, the city's goal has been to co-locate several geographically separate operations into one facility: Public Works General Services Division located at 405 Oak Street; Public Works Construction Management & Inspection Division located at 1635 Faraday Avenue; Carlsbad Municipal Water District (CMWD) located at 5950 El Camino Real; and the Parks Maintenance yard located at 1166 Carlsbad Village Drive. Co-location results in increased efficiency of operations, reduced environmental impacts to the community, improved cross-training and collaboration, and opportunities to repurpose the Oak yard, Parks Maintenance yard and the CMWD site.

The city's commitment to create a centralized work environment to increase the efficiency and effectiveness of its operations was set forth in 1988, when a financial plan to fund the construction of a new Maintenance and Operations Center was established. The Project name was recently changed to the Orion Center. On April 26, 2011, the City Council approved Resolution No. 2011-082 to authorize the design-build development of the Orion Center

adjacent to the existing City of Carlsbad Fleet Maintenance Building and City of Carlsbad Safety and Service Center.

Following this authorization, the city conducted an internal review of its operations and space needs. However, the Project was placed on hold to allow for the completion of a multi-year study conducted by Baker Tilly. Completed in 2014, the study found that the Orion Center would help facilitate operational efficiencies between the Public Works General Services, Construction Management & Inspection and Utilities Divisions, and the Parks & Recreation Parks Maintenance and Tree Maintenance Divisions. The new Orion Center would also create financial opportunities by allowing for the repurposing of three city facilities located at 405 Oak Avenue, 1166 Carlsbad Village Drive and 5950 El Camino Real. The combined value of these three facilities is approximately \$20 million as determined through recent real estate valuations.

On Oct. 20, 2015, the City Council approved Resolution No. 2015-266 approving a Professional Services Agreement with RNT for the development of bridging documents, complete with site entitlements, preliminary design, 30 percent design development drawings, performance specifications and a preliminary cost estimate in preparation for a design-build proposal solicitation in an amount not to exceed \$660,864. In April 2016, RNT presented staff with a conceptual design for the Project that was based upon the available Project fund balance and the program needs identified. At that time, RNT's construction cost estimate, combined with Project soft costs (e.g., staff time, outside consultants), totaled \$25.1 million.

In July 2016, the city manager directed staff to analyze the highest and best use of the property. Staff worked with RNT to further develop the conceptual design and ensure that the new facility aligned with the goals of the city's Climate Action Plan, included flexible work space, a centralized materials storage yard and addressed the Police Department's needs related to the storage of property and crime evidence. The proposed amendment to the Professional Services Agreement with RNT will increase the compensation by an amount not to exceed \$320,000 to incorporate the changes in the Project scope of work into the bridging documents.

As a result of these efforts, the Project is consistent with the Climate Action Plan by accommodating solar photovoltaic arrays to offset the energy demand generated by the new facility and electrical vehicle charging stations. The Project includes infrastructure to provide room for flexible workspace(s) and warehouse space, sufficient room for a materials storage yard onsite through the addition of a parking garage, and centralized and secure property and crime evidence storage for the Police Department.

In regard to the city's Climate Action Plan, this Project is consistent with Measures G, I and M within the Climate Action Plan. Additionally, this Project will result in meeting objectives of the city's Energy Conservation and Management Policy No. 71.

- Action G-2 states: *"Commission city facilities to improve building operations and reduce energy costs, with a goal of 40 percent energy reduction in 30 percent of city facility square footage"*. The Project is estimated to save \$3.3 million in energy costs over 30 years.

- Action I-3 states: *"Evaluate the feasibility of adopting a minimum natural lighting and ventilation standard, based on local conditions"*. The Project will require the use of day lighting and natural ventilation as part of the basis of design.
- Action M-2 states: *"Incorporate renewable energy measures such as PV system installation on city buildings and parking lots, or microturbine installation on city facilities, with a goal of producing approximately 12,000 megawatt hours per year"*. The Project will incorporate PV on the roof of the office building and parking garage.

Council Policy 71 states:

- (1) Paragraph 2 Construction of Civic Facilities, subparagraph a: *"Design and construct mechanical and electrical systems to achieve the maximum energy efficiency achievable with current technology"*. This requirement will be incorporated within the design criteria of the Project's design-build bridging documents.
- (2) Paragraph 3 Building Maintenance and Operation: *"Standardized energy management and control systems shall be utilized in all Civic Facilities to minimize energy consumption"*. This requirement will be incorporated within the design criteria of the Project's design-build bridging documents.

Fiscal Analysis

To achieve the objectives stated herein, an additional net appropriation in the amount of \$16,505,000 is needed. An additional appropriation of \$15,221,000 is needed from the Community Facilities District #1 Fund and an additional appropriation of \$2,660,000 is needed from the Recycled Water Capital Replacement Fund. A \$1,028,000 reduction in appropriation from the Potable Water Capital Replacement Fund, and a \$348,000 reduction in appropriation from the Sewer Replacement Fund is needed to balance the Project funding sources, thus yielding a net appropriation needed of \$16,505,000. The current available funds and estimated Project costs are shown below in the following tables:

ESTIMATED PROJECT COSTS FOR THE ORION CENTER, PROJECT NO. 3572	
Construction Contract (estimated)	\$30,445,000
Construction Contingency	3,044,500
Soft Costs (Construction Management, Design and Staff Time)	2,495,500
Construction Cost Escalation	7,255,000
TOTAL ESTIMATED CONSTRUCTION COSTS	\$43,240,000

PROJECT FUNDING SOURCES	UPDATED PROJECT ESTIMATE	EXISTING PROJECT BUDGET	ADDITIONAL APPROPRIATION NEEDED
Community Facilities District #1 Fund	\$29,940,000	\$14,719,000	\$15,221,000
Potable Water Capital Replacement Fund	6,650,000	7,678,000	(1,028,000)
Recycled Water Capital Replacement Fund	2,660,000	0	2,660,000
Sewer Replacement Fund	3,990,000	4,338,000	(348,000)
TOTAL	\$43,240,000	\$26,735,000	\$16,505,000

Next Steps

Staff will solicit requests for proposals from prospective construction management consultants and will return to the City Council in the fall for the authorization to hire the selected consultant. When the bridging documents are completed and a conditional use permit is approved by the city, staff will return to the City Council in the spring of 2019 for approval of the bridging documents and authorization to advertise for design-build proposal solicitation.

Environmental Evaluation (CEQA)

Approval of the funding and amendment to the Professional Services Agreement involves a feasibility or planning study for possible future actions that the city and CMWD have not yet approved, and is therefore statutorily exempt from CEQA under CEQA guidelines, Section 15262 (Feasibility and Planning Studies). However, the approval and construction of the Orion Center will require completion of an initial study to determine the level of environmental review that would be required for the Project. This determination will occur upon filing of the Project's discretionary Conditional Use Permit application.

Public Notification

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council Resolution.
2. CMWD Board Resolution.
3. Location Map.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD CALIFORNIA, AUTHORIZING AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ROESLING, NAKAMURA, TERADA ARCHITECTS, INC. TO INCORPORATE ADDITIONAL WORK SCOPE INTO THE BRIDGING DOCUMENTS FOR THE ORION CENTER, PROJECT NO. 3572, IN AN AMOUNT NOT TO EXCEED \$320,000, AND AN ADDITIONAL NET APPROPRIATION OF \$16,505,000.

WHEREAS, City Council has determined that it is desirable and in the best interest of the community to co-locate city maintenance and operations staff at one central location to optimize efficiency, collaboration, and teamwork across five divisions; and

WHEREAS, on Oct. 20, 2015, City Council approved a Professional Services Agreement with Roesling, Nakamura, Terada Architects, Inc. (RNT) for an amount not to exceed \$660,864 to provide bridging consulting services for the Orion Center, Project No. 3572, by adoption of Resolution No. 2015-266; and

WHEREAS, two subsequent amendments to the Professional Services Agreement with RNT have been executed in the amount of \$14,387; and

WHEREAS, city staff have evaluated the current and future office space needs of the maintenance and operations staff working in the Public Works and Parks & Recreation Departments; and

WHEREAS, city staff have worked with the Police Department to understand their evidence storage needs; and

WHEREAS, city staff and RNT have negotiated a scope of work and fee not to exceed \$320,000 to provide the additional bridging consulting services as described in Amendment No. 3 to the Professional Services Agreement; and

WHEREAS, an additional appropriation of \$15,221,000 from the Community Facilities District No. 1 Fund is needed to build a facility that accommodates these space and storage needs and is compliant with the city's Climate Action Plan and is available; and

WHEREAS, an additional appropriation of \$2,660,000 from the Recycled Water Capital Replacement Fund (see Exhibit 2), a \$1,028,000 reduction in appropriation from the Potable Water

Capital Replacement Fund, and a \$348,000 reduction in appropriation from the Sewer Replacement Fund is needed to balance the Project funding sources, thus yielding a net appropriation needed of \$16,505,000, as reflected in the Staff Report Fiscal Analysis table.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the mayor is authorized and directed to execute Amendment No. 3 to the Professional Services Agreement with RNT for an amount not to exceed \$320,000, which is attached hereto as Attachment A.
3. That the finance director is authorized to appropriate funds in the amount of \$15,221,000 for the Orion Center, Project No. 3572, from the Community Facilities District No. 1 Fund for additional bridging document design, and design-build construction costs.

PASSED, APPROVED AND ADOPTED at a Special Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

MATT HALL, Mayor

BARBARA ENGLESON, City Clerk

(SEAL)

**AMENDMENT NO. 3 TO AGREEMENT FOR BRIDGING CONSULTANT SERVICES
FOR THE MAINTENANCE AND OPERATIONS CENTER
ROESLING, NAKAMURA, TERADA ARCHITECTS, INC.**

This Amendment No. 3 is entered into and effective as of the _____ day of _____, 2018, extending and amending the agreement dated October 21, 2015, (the "Agreement") by and between the City of Carlsbad, a municipal corporation, ("City"), and Roesling, Nakamura, Terada Architects, a California corporation, ("Contractor") (collectively, the "Parties") for building design and the development of bridging documents.

RECITALS

A. On August 30, 2016, the Parties executed Amendment No.1 to the Agreement to include an evaluation of four alternate site concept options; and

B. The Parties desire to alter the Agreement's scope of work to include bridging documents for additional office and warehouse space, parking garage, photovoltaic panel system, and storage space for the maintenance and operation site; and

C. The Parties desire to extend the Agreement for a period of two (2) years; and

D. The Parties have negotiated and agreed to a supplemental scope of work and fee schedule, which is attached to and incorporated in by this reference as Exhibit "A", Scope of Services and Fee.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1. In addition to those services contained in the Agreement, as may have been amended from time to time, Contractor will provide those services described in Exhibit "A". With this Amendment, the total Agreement amount shall not exceed nine hundred ninety five thousand two hundred fifty one dollars (\$995,251).

2. City will pay Contractor for all work associated with those services described in Exhibit "A" on a time and materials basis not-to-exceed three hundred twenty thousand dollars (\$320,000). Contractor will provide City, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by City.

3. Contractor will complete all work described in Exhibit "A" by October 21, 2021.

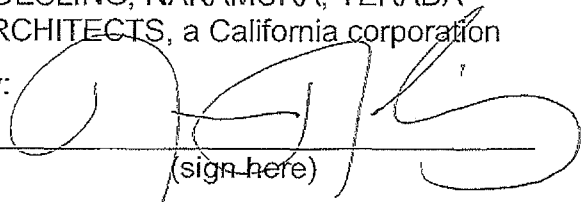
4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

5. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

6. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.

CONTRACTOR

ROESLING, NAKAMURA, TERADA
ARCHITECTS, a California corporation

By: 

(sign here)

RALPH ROESLING, PRINCIPAL

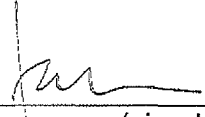
(print name/title)

CITY OF CARLSBAD, a municipal
corporation of the State of California

By: _____

MATT HALL
Mayor

ATTEST:

By: 

(sign here)

ROMMEL OLAS, SECRETARY

(print name/title)

BARBARA ENGLESON
City Clerk

If required by City, proper notarial acknowledgment of execution by Contractor must be attached. If a corporation, Agreement must be signed by one corporate officer from each of the following two groups:

Group A
Chairman,
President, **or**
Vice-President

Group B
Secretary,
Assistant Secretary,
CFO **or** Assistant Treasurer

Otherwise, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

CELIA A. BREWER, City Attorney

BY: _____

Deputy City Attorney

EXHIBIT "A" - Scope of Services and Fees**Task Outline:****Task 1.0 - Additional Meetings / Schedule Update**

Additional project meetings and schedule update

\$12,692**Task 2.0 - Project Research & Information Gathering**

Review existing plans & project research and update

Team site visit & survey

Site Civil Survey & Drainage Study Coordination and update

Geotechnical Study Coordination

Environmental Constraints Studies and update

Opportunities and Constraints Report

\$11,804**Task 3.0 - Revision of Program Verification**

Stakeholder Meetings (7). Program to be revised to include space for Construction Management and Inspection group within the Public Works Department.

Programming Verification Report & Area Tabulations

\$11,838**Task 4.0 - Pre-Schematic Design Revisions**

Pre-Schematic Design

Pre-Schematic Architectural Plans to be revised

Pre-Schematic Civil Grading and Drainage Plans to be revised

Pre-Schematic Landscape Plan to be revised

Detailed Project Schedule

Pre-Schematic Cost Estimate to be revised

City of Carlsbad Meetings (2) Presentation (1) to present new scope

Revisions & Approvals

\$87,328**Task 5.0 - Bridging Document Phase (Schematic Design)**

The Bridging Consultant team will prepare the design diagrams, room data sheets, basis of design criteria, performance specifications and other project-specific materials in sufficient enough to provide the basis for competitive procurement as required by the City of Carlsbad. In addition, the Bridging Documents, Building and Site Diagrams and Basis of Design narratives shall specify the exact or minimum amount of usable floor areas required and the environmental conditions (power, light, heating, cooling, ventilation, etc.) required in each programmed space; and, as appropriate, specific design directives and design configuration in specific programmed spaces. The complete bridging document package will be submitted to the City for review and comment. The City may engage a third party consultant to review, provide comment and develop an

estimate for the project. The Bridging Consultant shall work with the City and the third party consultant to respond to issues as necessary.

The document deliverables are as follows:

Site Permit Submittal Drawings and Basis of Design Narrative
 Site Development Plans and Basis of Design Narrative
 Architectural Diagrammatic Floor Plans, Elevations Sections and Basis of Design
 Civil grading and Drainage Diagrams and Basis of Design Narrative
 Landscape Plans
 Mechanical, Electrical, Plumbing & Basis of Design Narrative
 Structural Basis of Design Narrative
 Bridging Document Cost Estimation by City
 Schematic Specifications

\$134,268

Task 6.0 - Entitlement Strategy Plan Revisions

The Bridging Consultant will initiate the CUP process using plan diagrams but will coordinate and collaborate with the City of Carlsbad and an awarded design-build team to provide criteria and requirements that will allow a design-build team to complete a CUP process using the design-build's team's drawings. The Bridging Consultant will perform the following to meet the project goal of attaining a Conditional Use Permit.

\$2,112

Task 7.0 - Project Bid, Award, Design & Construction Support

The Bridging Consultant will provide services as necessary to support the project and to ensure that the project criteria are clear to the design-builder. All work shall comply with applicable laws, regulations and building codes, including, where applicable, laws requiring the payment of prevailing wages as set forth in Labor Code Section 1770, et seq. Notwithstanding the foregoing, the City may, in its sole discretion, elect to utilize the design-bid-build project delivery methodology instead of the design-build methodology, and ask Consultant to serve as the City's Architect of Record. In such case, the City shall provide Consultant with a proposed revised Scope of Services whereby Consultant shall serve as the Architect of Record and perform such other services customarily provided by similar architects on similar projects which the City may, in its sole discretion request. Consultant shall negotiate in good faith appropriate amendments to the Professional Services Agreement to reflect resulting changes to the Services, Consultant's compensation, etc.

Bid Support / Evaluate:
 RFP and RFQ Documents
 Review Selected Teams Designs (30% & 90% Review)
 RFI/Substitution Review
 Construction Administration (1.5 year timeline, 2 phases)
 Construction Progress Meetings

Design Intent Reviews (30% & 90% Review)

\$41,692

Less Previous Scope to develop design documents in Revit

(\$35,000)

Total Architectural Services Fee

\$266,744

Total Consultant Services Fee and contingency

\$53,256

TOTAL ADDITIONAL SERVICES FEE**\$320,000**

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARLSBAD MUNICIPAL WATER DISTRICT BOARD (CMWD), APPROPRIATING ADDITIONAL FUNDS OF \$2,660,000 FOR THE ORION CENTER, PROJECT NO. 3572.

WHEREAS, the Board of Directors has determined that it is desirable and in the best interest of the community to co-locate city maintenance and operations staff at one central location to optimize efficiency, collaboration, and teamwork across five divisions; and

WHEREAS, city staff have evaluated the current and future office space needs of the maintenance and operations staff working in the Public Works and Parks & Recreation Departments; and

WHEREAS, city staff have worked with the Police Department to understand their evidence storage needs; and

WHEREAS, an additional appropriation of \$2,660,000 from the Recycled Water Capital Replacement Fund is needed to build a facility that accommodates these space and storage needs and is compliant with the city's Climate Action Plan and is available; and

WHEREAS, the completed bridging documents will be of sufficient detail to be used for the solicitation of design-build contractor statements of qualifications and subsequent proposals.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Municipal Water District Board of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the president of the Board hereby authorizes the finance director to appropriate \$2,660,000 from the Recycled Water Capital Replacement Fund for the Orion Center, Project No. 3572, for additional work scope costs.

PASSED, APPROVED AND ADOPTED at a Special Meeting of the Carlsbad Municipal Water District of the City of Carlsbad on the ___ day of _____, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

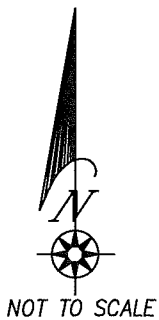
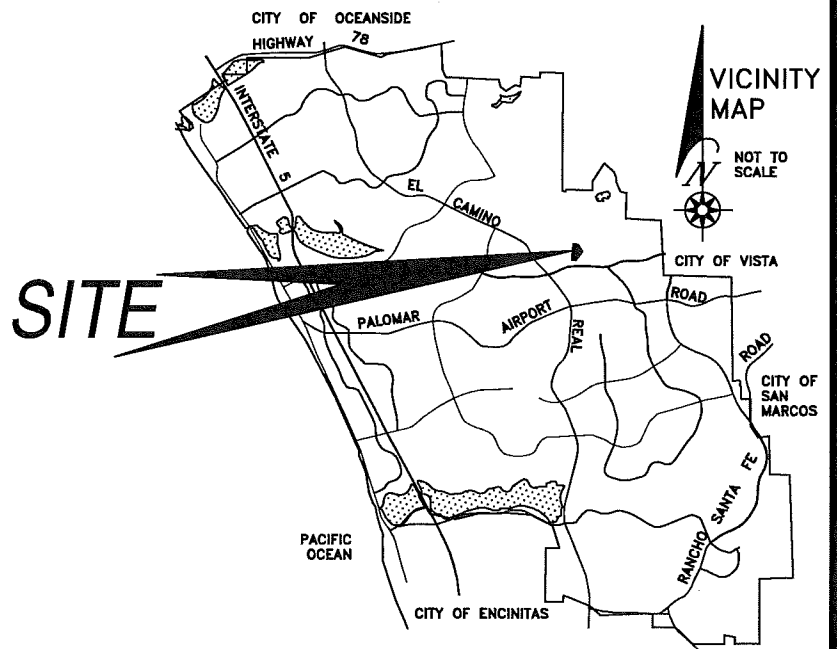
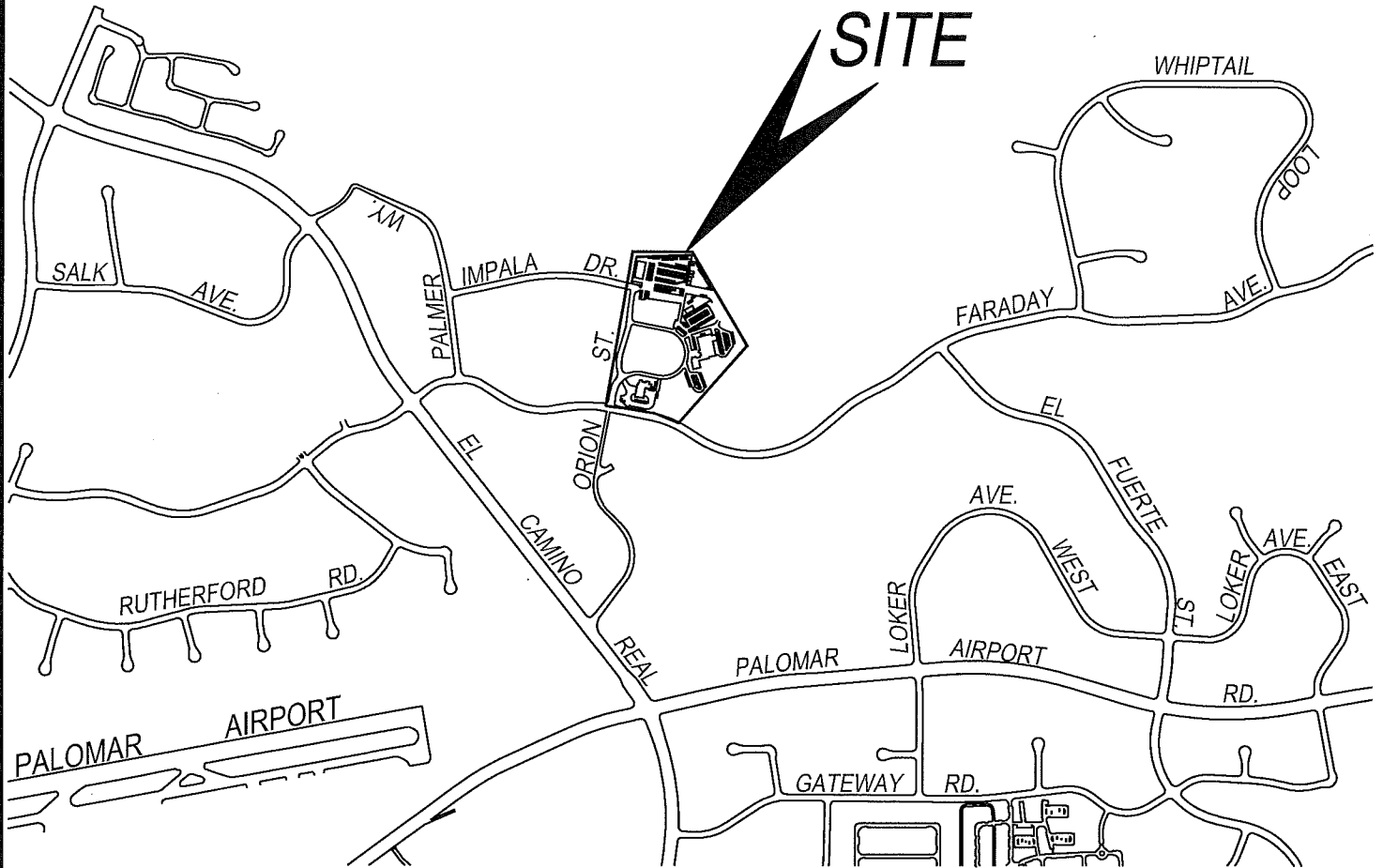
MATT HALL, PRESIDENT

BARBARA ENGLESON, SECRETARY

(SEAL)

LOCATION MAP

EXHIBIT 3



PROJECT NAME

ORION CENTER

EXHIBIT

3

August 31, 2018

Item #8

Page 14 of 14