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DECEMBER 16, 2003

IGNACIO DE LA FUENTE, PRESIDENT  
CITY COUNCIL  
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

**SUBJECT: RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO THE AGREEMENT WITH THE KPA GROUP FOR ADDITIONAL ARCHITECTURAL AND ENGINEERING SERVICES FOR THE POLICE ADMINISTRATION BUILDING SEISMIC RETROFIT PHASE I PROJECT IN AN AMOUNT NOT TO EXCEED \$131,017 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$899,028**

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**PURPOSE AND SCOPE**

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Council Agenda Report and Proposed Resolution. The purpose of our analysis was to evaluate the reasonableness of the Proposed Resolution.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, the scope of our analysis was impaired by Administrative Instruction Number 137, effective May 21, 1997, which provides only one (1) week for us to plan, perform and report on our analysis.

**SUMMARY**

In July 2000, the City Council approved the Police Facilities Plan, which included the seismic retrofit of the Police Administration Building to an “essential services” standard in two phases of construction.

Phase 1 would address the most significant structural weakness of the building between the basement and the 3rd floor, and would require minimal relocation of occupants.

Phase 2 would (1) seismically retrofit the remaining floors; (2) completely renovate the building systems and interiors; (3) provide additional ADA and safety-related improvements; and (4) require the temporary relocation of all occupants during the construction to an entirely separate facility.

Phase 1 includes structural improvements from the basement to the 3rd floor, and significantly reduces the risks of the building from collapsing after an earthquake. It, however, did not address the structural deficiencies of the upper floors, which could still collapse after a major earthquake. In addition, there is no definitive timeline for commencing with Phase 2 due to budget constraints, lack of a suitable relocation site for building occupants during construction, and the uncertainty of constructing a new Police Administration Building.

Therefore, the Public Works Agency recommends that work under Phase 1 be expanded to include structural improvements at all floors (from the basement to the roof level) instead of only from the basement to the 3rd floor, and to incorporate recent code changes. The Proposed Resolution would amend the existing agreement with The KPA Group to provide additional architectural and engineering services for an amount not to exceed \$394,000, and for a total contract amount not to exceed \$1,162,011.

**FISCAL IMPACT**

Funding for this services agreement is available from:

<u>Description</u>	<u>Amount</u>
Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant (Org. 92270, Project No. C58691, Fund 2146)	\$ 7,518,375
Measure I 1992 Emergency Response Bond Issue (Org. 92290, Project No. C58690, Fund 5008)	<u>6,500,000</u>
Total	<u>\$14,018,375</u>

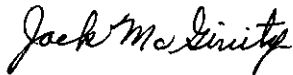
**OTHER MATTERS**

Although the Council Agenda Report does not so state, the FEMA Hazard Mitigation grant of \$7,518,375 has an **expenditure deadline of December 31, 2003**. Moreover, a time extension has not yet been requested. These matters, which pertain to what is to be done with the Police Administration Building, are outside the scope of this report. Accordingly, no financial analysis of these matters has not been performed.

**CONCLUSION**

The Proposed Resolution appears to be reasonable.

Prepared by:



Jack McGinity, CPA

Report completion date:

November 14, 2003

Issued by:



Roland E. Smith, CPA, CFS

City Auditor