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FEBRUARY 8, 2005

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECT: RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO 1) ACCEPT AND APPROPRIATE AN ADDITIONAL \$13,345 FROM THE STATE OF CALIFORNIA PROPOSITION 14 FUNDS FOR A TOTAL GRANT ACCEPTANCE AMOUNT OF \$6,513,345; AND 2) TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH GROUP 4 ARCHITECTURE RESEARCH AND PLANNING, INC. TO PROVIDE FULL DESIGN AND ENGINEERING SERVICES FOR THE NEW 81ST AVENUE COMMUNITY LIBRARY IN THE AMOUNT OF \$1,600,000, AND TO COMPLETE THE MASTER FACILITIES PLAN TO INCLUDE DEVELOPMENT STRATEGIES FOR THE MAIN PUBLIC LIBRARY AND FOR CONTINUED COMMUNITY OUTREACH SERVICES IN THE AMOUNT OF \$225,000, FOR A TOTAL AMENDED CONTRACT AMOUNT NOT TO EXCEED \$2,325,000.

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 Proposed Resolution and Agenda Report. In making our analysis, we also asked for additional information and clarification from City staff.

The City Auditor is elected by the citizens of Oakland to serve as an officer in charge of an independent department auditing City government activities. The independence of the City Auditor is established by the City Charter.

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 two (2) weeks for us to plan, perform and report on our analysis. Due to this time constraint, we did not verify data contained in the Proposed Resolution and Agenda Report.

SUMMARY

The Proposed Resolution contains three elements:

1. Accept an additional appropriation of \$13,345 in Proposition 14 funds from the State of California.
2. Approve \$225,000 to Group 4 Architecture Research and Planning, Inc. (Group 4) for services in addition to the Basic Services specified in the original contract.
3. Approve \$1,600,000 to Group 4 for the performance of full design and engineering services for the 81st Avenue library.

The Agenda Report concentrates on items 2 and 3.

FISCAL IMPACT

The contract with Group 4 has been put out to bid only once with a contract amount of \$270,000. Staff issued a Request for Proposal (RFP) in June 2002 to complete a Master Facilities Plan and to provide assistance with applying for state funding toward a new or renovated Main Library or other recommended projects. The Master Facilities Plan (MFP) is a comprehensive assessment of existing conditions at Oakland libraries with recommendations on ways these as well as new libraries can meet the anticipated needs of the community in the future.

The contract amount has grown from \$270,000 at the inception of the original contract to a proposed total amount of \$2,325,000 as summarized below:

Date	Resolution No.	Period of Contract or Contract Extension	Amount Approved Not to Exceed
6/18/2002	77202 C.M.S.	5/2003 to 4/2004	\$270,000
10/21/2003	78130 C.M.S.	4/2004 to 4/2005	\$230,000
Amount Approved to Date			\$500,000
2/8/2005	Proposed		\$225,000
Proposed Total			\$725,000
2/8/2005	Proposed		\$1,600,000
Proposed Total			\$2,325,000

Moreover, staff did not furnish an estimate of how much more than \$2,325,000 will be needed to complete the Master Facilities Plan.

The Agenda Report that accompanied Resolution 77202 C.M.S. states, "Total costs associated with this project – the Master Facilities Plan and Proposition 14 application – are approximately \$350,000..." (page 1). However, the \$725,000/\$2,325,000 contract amounts exceed \$350,000 and may increase further.

CONTRACTOR SELECTION PROCESS

On June 18, 2002, the Council passed Resolution 77202 C.M.S. which authorized \$270,000 for an architectural contractor to complete a Master Facilities Plan and assist with applying for Proposition 14 funds for a new or renovated Main Library. Group 4 was not specifically stated as the contractor in the resolution, but was subsequently awarded the contract based on the RFP issued in June 2002.

On October 21, 2003, the Council passed Resolution 78130 C.M.S. which authorized \$230,000 for Group 4 to complete a Master Facilities Plan and assist with applying for Proposition 14 funds for a new joint-use library. Subsequently, the City was successfully awarded \$6,500,000 from the State of California for a joint-use branch library on 81st Avenue.

The RFP states the following:

1. "The agreement under this RFP between the City and the Architect will include full design services. However, the City anticipates authorizing only the services up to conceptual design at this time." (page 6)
2. "...the City reserves the right to issue a new and separate Request for Proposals for full design services for a new or renovated Main Library, which may be based upon the conceptual design." (page 7)

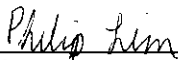
Based on these provisions, the City has the option to extend the contract to include full design services or issue another RFP for them.

CONCLUSION


Before approving the Proposed Resolution, the Council should consider that the contract has been put out to bid only once, and the contract amount has gradually grown from \$270,000 to a proposed total amount of \$2,325,000.

Prepared by:

Issued by:



 Philip Lim
 Deputy City Auditor



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Report completion date:
January 28, 2005