TO:        HONORABLE CITY COUNCIL
FROM:     CITY MANAGER                  DEPARTMENT: PUBLIC WORKS
DATE:     JULY 18, 2005                 CMR:326:05

SUBJECT:   APPROVAL OF CONTRACT WITH NOVA PARTNERS, INC. IN THE
AMOUNT OF $173,678 FOR CONSTRUCTION MANAGEMENT
SERVICES AND AN UPDATE ON THE CHILDREN’S LIBRARY
RENOVATION AND EXPANSION PROJECT – CAPITAL
IMPROVEMENT PROGRAM PROJECT PE-04010

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to
execute the attached contract with NOVA Partners, Inc. (Attachment A) in the amount of
$157,978 for construction management services and $15,700 for additional services for a total
not to exceed the amount of $173,678 for the Children’s Library Renovation and Expansion
Project – Capital Improvement Program Project PE-04010

BACKGROUND
The renovation and expansion of the Children’s Library that was part of a 2002 library bond
measure (Measure D) was subjected to approximately 40 public meetings, including
environmental review. After failure of that bond measure, interested parties requested that the
City Council postpone improvement plans for the Children’s Library until they could explore
public/private partnership funding (CMR:111:03 of February 10, 2003). That effort was
successful and on March 1, 2004, Council approved a cost sharing agreement with the Friends of
Children’s Library (Friends) and the Palo Alto Library Foundation (PALF)(CMR:142:04). On
June 28, 2004, the City Council awarded a design contract for the Children’s Library renovation
and expansion to Architectural Resources Group (ARG) (CMR:340:04). On October 25, 2004,
the City Council approved an amendment to the cost sharing agreement with the Friends and
PALF to provide for an additional 610 square feet of expansion space on the south end of the
Children’s Library. The Council also approved an amendment to the design contract with ARG
to provide for this additional expansion (CMR:450:04).

DISCUSSION
Construction Management Services
The draft scope of work for construction management services needed for the Children’s Library
project was reviewed and approved by the City Council during the 2004-2005 Budget process.
Exhibit A of the attached contract includes the Council approved scope of services.

Renovation and expansion of the Children’s Library requires construction management services
to ensure a level of expertise in construction oversight that does not exist with City staff.
Demolition and construction on a historic building with numerous site constraints is more challenging than typical demolition and construction, and project has requirements for a high degree of historic preservation.

Summary of Solicitation Process

<table>
<thead>
<tr>
<th>Proposal Description/Number</th>
<th>Construction Management Services for the Children’s Library Renovation and Expansion Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>12 months</td>
</tr>
<tr>
<td>Number of Proposals Mailed</td>
<td>19</td>
</tr>
<tr>
<td>Total Days to Respond to Proposal</td>
<td>28</td>
</tr>
<tr>
<td>Pre-proposal Meeting Date</td>
<td>April 19, 2005</td>
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<tr>
<td>Number of Company Attendees at Pre-proposal Meeting</td>
<td>11</td>
</tr>
<tr>
<td>Number of Proposals Received:</td>
<td>6</td>
</tr>
<tr>
<td>Company Name</td>
<td>Location (City, State) Selected for oral interview?</td>
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<tr>
<td>1. Cooper Pugeda Management, Inc.</td>
<td>San Francisco, CA No</td>
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<tr>
<td>2. TRS Consultants, Inc.</td>
<td>San Ramon, CA No</td>
</tr>
<tr>
<td>3. Analytical Planning Services, Inc.</td>
<td>San Francisco, CA Yes</td>
</tr>
<tr>
<td>4. O’Connor Construction Management, Inc.</td>
<td>Pleasanton, CA Yes</td>
</tr>
<tr>
<td>5. NOVA Partners, Inc.</td>
<td>Palo Alto, CA Yes</td>
</tr>
<tr>
<td>6. BBI /JKL Constructive Services</td>
<td>Oakland, CA Yes</td>
</tr>
<tr>
<td>Range of Proposal Amounts Submitted</td>
<td>$145,000 to $340,000</td>
</tr>
</tbody>
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An evaluation committee consisting of Public Works Engineering and Facilities staff reviewed all proposals submitted. The committee carefully reviewed each firm’s qualifications and submittals in response to the criteria identified in the request for proposals (RFP) and four firms were invited to participate in oral interviews on June 1, 2005.

The proposals were judged by the following criteria:
- quality and effectiveness of proposed solutions,
- qualifications and experience of the staff to be assigned to the project, including historic buildings
- proposal quality and completeness,
- perceived response time and ability to perform the work.

NOVA Partners, Inc. was selected because it demonstrated superior knowledge of construction management, and has extensive experience with historic structures including historic libraries (specifically, Stanford’s Green Library). NOVA Partners is located in Palo Alto. In addition to being highly technically qualified and experienced, NOVA’s representatives demonstrated knowledge of the importance of the Children’s Library to the Palo Alto community.
Contractor Prequalification
Staff intends to prequalify the contractors who are interested in bidding on the renovation and expansion of the Children’s Library. Prequalification of contractors is used on projects where specialized knowledge or qualifications are critical to the successful completion of a construction project. The Children’s Library Expansion and Improvement Project entails historic rehabilitation, seismic upgrade, and complete renovation of the building systems. Prequalification of contractors will be used on this project to determine whether interested contractors have the knowledge and experience with the construction and demolition requirements particular to work on a historic structure. The prequalification process will follow the guidelines set forth in the City Manager’s Policy and Procedure, “Prequalification of Contractors”. Contractor prequalification was used for the downtown parking structures.

Prequalification of contractors entails development of criteria that a contractor must meet in order to be considered sufficiently qualified to be allowed to bid. Interested bidders will be required to submit a prequalification package allowing them to demonstrate their ability to meet the prequalification criteria.

The prequalification materials will include:
- a Request for Pre-qualification of Bidders,
- a public notice of the distribution of a Request for Pre-qualification of Bidders,
- a Notice to Bidders,
- a Pre-qualification Questionnaire.

A scorecard will be used to rank the responses to the questionnaire to determine, as objectively as possible, whether a respondent is sufficiently qualified or not.

Following is the current project schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 18</td>
<td>Award of Contract for construction management firm.</td>
</tr>
<tr>
<td>Early August</td>
<td>Pre-qualification packages to be distributed to prospective contractors.</td>
</tr>
<tr>
<td>Mid August</td>
<td>Completion of plans and specifications</td>
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<tr>
<td>Early September</td>
<td>Contractor prequalification completed</td>
</tr>
<tr>
<td>August &amp; September</td>
<td>Plan check review</td>
</tr>
<tr>
<td>Early October</td>
<td>Project out to bid to pre-qualified contractors</td>
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<tr>
<td></td>
<td>Deposit of funds from Palo Alto Library Foundation and Friends of the</td>
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<td></td>
<td>Palo Alto Library (30 days before award of construction contract)</td>
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<tr>
<td>Early-November</td>
<td>Award of construction contract</td>
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<tr>
<td></td>
<td>Closing of the Children’s Library</td>
</tr>
<tr>
<td>Mid-November</td>
<td>Moving of Children’s Library collection and contents to other location(s)</td>
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<tr>
<td>Late-November</td>
<td>Construction begins</td>
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**RESOURCE IMPACT**

Construction management services were included as part of the project budget project. Project funding includes donated funds from the Palo Alto Library Foundation, the Friends of the Palo Alto Library, and other sources (U.S. Housing and Urban Development (HUD) grants and City Infrastructure Reserve Funds). To minimize the project’s impact on the Infrastructure Reserve Funds and to best utilize all available sources of funding, staff will continue to pursue additional
funding sources such as utility grants and the sale of Transferable Development Rights. (The Children’s Library project is the first City-owned building to go through the Transfer of Development Rights process. There are significant differences in the process when dealing with public property. More information will be provided to Council as it becomes available.)

The Children’s Library project will use an energy efficient ground source heat pump system for its heating and cooling. This “green” technology is eligible for Palo Alto Utilities grant funding. The utilities grant programs require customers to complete design assessments and installations prior to receiving funds through the existing Consultant Assistance for Resource Efficiency (CARE) and Commercial Advantage Program (CAP). The amount of CAP funds will depend entirely upon whether the eligible measures were completed as proposed. CARE provides up to $10,000 per site, per year, to help project managers incorporate efficiency improvements into the design stage. CAP amounts vary with final specifications for replacement of existing electric and gas equipment (lighting, heating, cooling). Rebates from the City of Palo Alto Utilities public benefit resources programs are not paid until the completion of the project.

**POLICY IMPLICATIONS**

This recommendation does not represent any change in existing City policies.

**PROJECT REVIEW**

The Children’s Library Project has undergone review by the Historic Resources Board, the Architectural Review Board, the Library Advisory Commission, and the Development Review Committee. As per the agreement with the Palo Alto Library Foundation and Friends of the Palo Alto Library, representatives of each organization were given the opportunity to review and comment on the drawings at the 35% and 65% design phases. See the attached drawings showing the site plan and elevations of the planned Children’s library renovation and expansion.


The presentation to the LAC focused on the changes made to the floor plans since the LAC’s review of the 35% plans. As shown on the plan, stroller parking has been added near the north entrance and the book drop was relocated to the south side. Selective demolition will be done to remove hazardous materials and preserve historic elements. The LAC reviewed the plans but did not need to take any action relative to the project.

The HRB reviewed the Children’s Library design (as shown on the attached plans and elevations), the recommendation from the State Historic Preservation Office (SHPO), and the Historic Structure Report (HSR). The HSR was required for the project to participate in the Transfer of Development Rights (TDR) program. At the HRB meeting, staff recommended, in concurrence with the finding of the State Office of Historic Preservation (SHPO), that the Historic Resources Board unconditionally recommend approval to the Director of Planning and Community Environment of the 65% design plans for the expansion of the Children’s Library submitted by the project architect, Architectural Resources Group (ARG), as conforming to the Secretary of the Interior’s Standards for Rehabilitation.
The HRB supported participation of the Children’s Library project in the Transferable Development Rights program, and unanimously recommended approval of the 65% design plans for the Library’s rehabilitation and expansion as complying with the Secretary of the Interior’s Standards for Rehabilitation, subject to the following conditions:

1. That all the historic interior light fixtures be retained, and that those that are not used as part of the project be stored to provide replacement parts as needed;
2. That the sections of the roofs of the south and north additions that wrap around the front corners of the historic Library overlap the historic front wall to the minimum degree possible;
3. That the proposed design of the ends of the beams that support the wraparound roof sections of the south and north additions be revised to a simple square profile that projects beyond the roof tiles to the minimum degree possible; and,
4. That the brick south garden wall be treated at that point where it will meet the end wall of the new south addition so that it will recall the existing brick corner where the wall now turns in a 90-degree angle to meet the existing south end wall of the Library.

**ENVIRONMENTAL REVIEW**
The project is a less intensive version of a previous project that was developed for the City’s November 2002 bond measure. That project underwent environmental review pursuant to the California Environmental Quality Act (CEQA), and a Mitigated Negative Declaration (MND), (Resolution No. 8183) was approved by Council, and included both north and south wing additions that were larger than the present project. Because the Children’s Library is an historic structure, the MND requires expansion of the Children’s Library to adhere to the Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Due to the historic significance of the building and funding from HUD, additional environmental review under the National Environmental Protection Act (NEPA) was required, which necessitated design review by the State Historic Preservation Office (SHPO). The SHPO review was completed in late June. A Historic Structure Report was prepared to satisfy the requirements of the Municipal Code for obtaining Transferable Development Rights. The project, including any seismic and ADA retrofits, will be done in accordance with the mitigation measures of the MND and has been reviewed by the Planning Department, ARB, and HRB.

**ATTACHMENTS**
Attachment A: Contract (including Scope of Services)
Attachment B: Project plans and elevations

PREPARED BY:
__________________________________________
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DEPARTMENT HEAD:  
GLENN ROBERTS  
Director of Public Works

CITY MANAGER APPROVAL:  
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