TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENTS: COMMUNITY SERVICES AND PUBLIC WORKS
DATE: DECEMBER 15, 2008 CMR:465:08
REPORT TYPE: CONSENT
SUBJECT: Approval of Amendment No. One to Contract Number C08126592 with the Palo Alto Art Center Foundation in the Amount of $78,580 for a Total Not to Exceed Amount of $368,580 for the Planning and Design Phase for the Renovation and Capital Improvements to the Palo Alto Art Center, Capital Improvement Program Project PF-07000

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to execute Amendment No. One to Contract No. C08126592 with the Palo Alto Art Center Foundation (Attachment A), in the amount of $78,580, to complete the design development phase for the proposed renovation and capital improvements to the Palo Alto Art Center, PF-07000. The original contract amount was $290,000. With the addition of Amendment No. 1, the total not to exceed amount would be $368,580.

BACKGROUND
In April 2006, a colleague’s memo was approved by the City Council directing staff to work with the Palo Alto Art Center Foundation (Foundation) in drafting a Memorandum of Understanding to expand and renovate the Art Center as a public/private partnership.

In July 2007, the Council approved a Letter of Intent outlining mutually acceptable terms and conditions for the collaboration between the City of Palo Alto (City) and the Foundation for Phase I construction of improvements and alterations to the Palo Alto Art Center (CMR:288:07). The proposed improvements include creation of a children’s wing, improvements to the existing gallery space, and replacement of mechanical and electrical systems.

In September 2007, the Foundation entered into an agreement with Mark CavagneroAssociates, to: 1) design the project through schematic design and design development phase; 2) submit preliminary estimates of construction costs based on schematic design and adjustments to preliminary estimate of construction costs based on the design development; 3) prepare construction documents setting forth
in detail the requirements for the construction of the project, based on the design reviewed and approved by the Foundation and City; and 4) provide construction administration services during the construction phase of the project.

In March 2008, Council approved an agreement with the Foundation allowing for City payment to the Foundation for the City’s portion of the schematic design, design development, construction documents, and construction administration services (CMR:107:08). The City’s financial responsibility, as specified in Capital Improvement Program Project PF-07000 (Art Center Electrical and Mechanical Upgrades) is to replace original mechanical and electrical equipment and systems to meet current occupant need, provide code compliance, and optimize operational and energy efficiency.

**DISCUSSION**
During the schematic design phase, the Foundation’s architect identified several issues that required resolution prior to completion of the design development phase. The issues included compliance with green building requirements, accessibility codes, seismic upgrades, hazardous materials removal, and determination of the extent of required electrical system upgrades.

The cost of addressing these issues could not be accurately determined until the design development phase was in process. These issues have now been resolved, and will require additional design work, resulting in increased design expense. The Foundation’s consultants will provide additional design services to meet the City’s green building requirements, and address building code requirements for seismic upgrade and accessibility. Addendum #1 requests the additional services funding for completion of the design development phase only. Staff will return to Council following the design development phase with an updated cost estimate for construction and a request for additional funds to complete the construction documents and the construction phase of the project.

**RESOURCE IMPACT**
Funds for this project are available in Capital Improvement Program Project PF-07000, Art Center Electrical and Mechanical Upgrades.

**ENVIRONMENTAL REVIEW**
This project is categorically exempt from California Environmental Quality Act review pursuant to CEQA Guidelines Section 15301 as it consists of maintenance, repair and minor alteration to an existing public facility that involves no expansion of the existing use.

**ATTACHMENTS**
Attachment A: Amendment No. 1

PREPARED BY:

[Signature]
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