City of Palo Alto
City Manager's Report

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS

DATE: APRIL 15, 2002 CMR:217:02

SUBJECT: AWARD OF CONTRACT IN THE AMOUNT OF $22,535,000 TO McCARTHY BUILDING COMPANIES, INC. FOR CONSTRUCTION OF TWO DOWNTOWN PARKING STRUCTURES (CAPTIAL IMPROVEMENT PROGRAM PROJECT 19530), APPROVAL OF AMENDMENT NO. TWO TO CONTRACT C8103688 WITH TURNER CONSTRUCTION IN THE AMOUNT OF $1,632,048 FOR CONSTRUCTION MANAGEMENT SERVICES AND AMENDMENT NO. THREE TO CONTRACT C6076145 WITH WATRY DESIGN, INC. IN THE AMOUNT OF $69,200 FOR CONSTRUCTION ADMINISTRATION SERVICES

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute a contract (Attachment A) with McCarthy Building Companies, Inc. (McCarthy) in the amount of $22,535,000 for construction of the Lot R and Lot S/L parking structures.

2. Authorize the City Manager or his designee negotiate and execute one or more change orders to the contract with McCarthy for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $3,380,250.

3. Approve and authorize the Mayor to execute Amendment No. Two to Consultant Contract No. C8103688 with Turner Construction (Attachment C), in the amount of $1,632,048 to supplement City staff with construction administration services for the Downtown Parking Structures.

4. Approve and authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract amendment with Turner Construction for related, additional but unforeseen work that may occur during construction, the total value of which change orders shall not exceed $163,205.
5. Approve and authorize the Mayor to execute Amendment No. Three to Consultant Contract No. C6076145 with Watry Design, Inc. (Attachment D), in the amount of $69,200 to supplement staff by providing construction administration services for the Downtown Parking Structures.

6. Approve and authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract amendment with Watry Design for related, additional but unforeseen work that may occur during construction, the total value of which change orders shall not exceed $6,920.

DISCUSSION
Project Description
On March 19, 2001, Council adopted a “Resolution Adopting Engineer’s Report, Confirming the Assessment, Ordering the Work and Directing Actions with Respect Thereto” for the new University Avenue Area Off-Street Parking Assessment District. The assessment district is financing the construction of two parking garages downtown. The two sites are Lots S and L (Bryant/Lytton) and Lot R (south of University Avenue, between High/Alma). The new garages will provide over 900 parking spaces, which is an increase of 700 spaces over what currently exists in the downtown area. The design of the garage was completed and the project advertised for construction bids in February 2002.

The construction contract is for both garages, which would be built simultaneously. The Public Works Department does not have enough staff to manage the parking structure project in addition to other workloads. In order to allow continued work on other projects, Council authorized staff to procure the services of a project management consultant to supplement staff working on the parking structures.

Bid Process
Given the size and location of the project, staff wanted to ensure that any contractor selected would be capable of completing the project in a high quality, timely fashion. In January 2002, a Request for Prequalification of Bidders was advertised and posted at local Builder’s Exchanges. Any contractor who intended to submit a bid was required to complete a questionnaire that presented the company’s financial status, ability to obtain bonding for a project of this size, and experience building parking or other concrete structures. Ten companies submitted information and six were determined to be qualified to submit construction bids.

A formal notice inviting construction bids was issued to the six prequalified contractors on February 20, 2002. The bidding period was 34 days. Bids were received from four contractors on March 26, 2002, as listed on the attached bid summary (Attachment B). Bids ranged from a high of $25,360,591 to a low of $22,535,000.
Staff has reviewed all bids submitted, checked the Contractor’s State License Board and found that the contractor has an active license on board, and recommends that the bid of $22,535,000 submitted by McCarthy be accepted and that McCarthy be declared the low bidder. The bid is 24 percent below the engineer’s estimate of $27,945,000 that was established for the March 2001 parking assessment district election. The change order amount of $3,380,250 equals fifteen percent of the total contract and is requested because of the potential of an underground tank and contaminated soil at Lot R. The adjacent building to the south of the site and fronting Alma Street (home to Yoga Source) once housed an automobile repair shop and records indicated that at one time there was an underground storage tank on Lot R. Exploratory excavations in the area did not locate any tanks; however, without digging up significant areas of the parking lot it is difficult to eliminate this possibility. The garage that will be built on the Lot S/L site has two basement levels, the lowest of which sits just above the groundwater table. Given the proximity to the water table, increased dewatering of the excavation may be necessary. In order not to delay the project in case additional funding is needed to remove any tank, contaminated soil, or groundwater, a contingency of 15 percent is requested.

Consultant Selection Process
Turner Construction provided project management services through the design period. At the end of the design period in January 2002, a Request for Proposal was issued for services construction administration services through the construction period. Six firms responded, and two were selected for interviews. Turner Construction was selected because of its depth of knowledge of the garages, familiarity with City processes and because as a construction company, Turner has extensive construction expertise.

The Amendment to the contract with Watry Design (Attachment D) will provide for consultant fee increases (due to inflation) through the end of construction. In addition, because of the complexity of the project and comments during the design review period, additional specialty subconsultants were added to the project team. The Amendment will allow Watry additional time to interface with these subconsultants over design-related issues that arise during construction. Fees are also included for Watry to serve as a liaison between the project artist, the material supplier and the contractor.

Public Outreach
In an effort to keep the community informed about the upcoming construction, staff attended regular meetings of the Chamber of Commerce Parking Committee, presented information at the Chamber’s Downtown Marketing Committee, provided informational brochures for the Civic Center’s information desk, posted information posters at various public buildings, provided information brochures to property owners along with their annual assessment levy, and issued a press release. In February, logistics plans showing lane closures, dumpster locations and concrete truck circulation were provided to Avenidas and the Chamber of Commerce for display at their counters. On March 27, 2002, staff held meetings at Avenidas
to discuss the logistics plan and to address the concerns of the merchants whose businesses are near the two sites.

RESOURCE IMPACT
The City has sold two series of bonds on behalf of the University Avenue Off-Street Parking Assessment District to build new parking garages on Lots R and S/L. The first series of bonds equaled $9.25 million and the second series equaled $35.46 million for a total of $44.71 million. Proceeds from the first series were used primarily to refinance prior bond issues, pay pre-design and design expenses, and pay financing expenses. Proceeds from the second issue will be used for acquiring easements, construction management, and construction and financing expenses. In addition to the bond proceeds, property owners paid approximately $1.0 million in cash toward the project and the University Avenue Parking in Lieu Fund has contributed $1.79 million.

Through a series of prior Budget Amendment Ordinances, City Council has appropriated all necessary funds in Capital Improvement Project 6900 “Lots S/L and R Parking Garages and Non-Parking Area.” Construction of the non-parking area on the S/L site has been funded through the issue of $3.56 million in taxable Certificates of Participation that will be paid by the City. The total appropriation to-date for this project is $41.57 million (this appropriation covers expenses since this project was initiated in 1994-95).

Annual debt services payments paid by district property owners are being ramped up over a four-year period and will reach their maximum level in 2004-05. Property owners can expect to pay approximately $1.47 per square foot annually at that time. This includes the $.35 per square foot assessment associated with prior district bond obligations. The City of Palo Alto’s annual assessment responsibility, as a result of Proposition 218, will rise to approximately $77,000 in 2004-05. Annual debt service on the non-parking area is estimated at $331,000 annually and will be paid from commercial rents on this space.

POLICY IMPLICATIONS
Approval of the contract and contract amendment are consistent with existing City policies.

TIMELINE
Groundbreaking on both structures is anticipated in early May, 2002. The garages will be constructed simultaneously. Lot R is expected to be completed in May 2003 and Lot S/L in November 2003. These dates could be extended due to weather, soil contamination, or other unforeseen conditions that might delay construction.

ENVIRONMENTAL ASSESSMENT
An Environmental Impact Report was prepared as part of the PC zoning application and was certified by Council on December 20, 1999.
ATTACHMENTS
Attachment A: Construction Contract
Attachment B: Bid Summary
Attachment C: Amendment No. Two to Contract C8103688 with Turner Construction Company
Attachment D: Amendment No. Three to Contract C6076145 with Watry Design, Inc.

PREPARED BY: ____________________________
KAREN BENGARD
Senior Engineer

DEPARTMENT HEAD: ____________________________
GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL: ____________________________
EMILY HARRISON
Assistant City Manager
This Contract, number C2142157, dated ____________ is entered into by and between the City of Palo Alto, a chartered city and a municipal corporation of the State of California ("City"), and McCarthy Building Companies, Inc. ("Contractor").

For and in consideration of the covenants, terms, and conditions ("the provisions") of this Contract, City and Contractor ("the parties") agree:

1. Term. This Contract shall commence and be binding on the parties on the Date of Execution of this Contract, and shall expire on the date of recordation of the Notice of Substantial Completion, or, if no such notice is required to be filed, on the date that final payment is made hereunder, subject to the earlier termination of this Contract.

2. General Scope of Project and Work. Contractor shall furnish labor, services, materials and equipment in connection with the construction of the Project and complete the Work in accordance with the covenants, terms and conditions of this Contract to the satisfaction of City. The Project and Work is generally described as follows:

Title of Project: City of Palo Alto Parking Structures Lot S/L and Lot R, Invitation for Bid (IFB) Number 142157 (Watry Project No. 9533A).

Bid: $22,535,000.00

3. Contract Documents. This Contract shall consist of the documents set forth below, which are on file with the City Clerk and are hereby incorporated by reference. For the purposes of construing, interpreting and resolving inconsistencies between and among the provisions of this Contract, these documents and the provisions thereof are set forth in the following descending order of precedence.

a. This Contract.
b. Invitation for Bid.
c. Project Specifications.
d. Drawings.
e. Change Orders.
f. Bid.
g. Supplementary Conditions.
h. General Conditions.
k. Other Specifications, or part thereof, not expressly incorporated in the Contract Specifications or the Standard Drawings and Specifications (1992).
l. Any other document not expressly mentioned herein which is issued by City or entered into by the parties.

4. Compensation. In consideration of Contractor's performance of its obligations hereunder, City shall pay to Contractor the amount set forth in Contractor's Bid in accordance with the provisions of this Contract and upon the receipt of written invoices and all necessary supporting documentation within the time set forth in the Contract Specifications and the Standard Drawings and Specifications (1992), or, if no time is stated, within thirty (30) Days of the date of receipt of Contractor's invoices.

5. Insurance. On or before the Date of Execution, Contractor shall obtain and maintain the policies of insurance coverage described in the Invitation For Bid on terms and conditions and in amounts as may be required by the Risk Manager. City shall not be obligated to take out insurance on Contractor's personal property or the personal property of any person performing labor or services or supplying materials or equipment under the Project. Contractor shall furnish City with the certificates of insurance and with original endorsements affecting coverage required under this Contract on or before the Date of Execution. The certificates and endorsements for each insurance policy shall be signed by a person who is authorized by that insurer to bind coverage in its
6. **Indemnification.** Contractor agrees to protect, defend, indemnify and hold City, its Council members, officers, employees, agents and representatives harmless from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising, in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful acts or the negligent acts or omissions of Contractor, or which results from Contractor's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from Contractor's failure to do anything required under this Contract or for doing anything which Contractor is required not to do under this Contract, or which arises from conduct for which any Law may impose strict liability on Contractor in the performance of or failure to perform the provisions of this Contract, except as may arise from the sole willful acts or negligent acts or omissions of City or any of its Council members, officers, employees, agents or representatives. This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any work performed by Contractor under this Contract at any time during the term of this Contract, or arising thereafter.

To the extent Contractor will use hazardous materials in connection with the execution of its obligations under this Contract, Contractor further expressly agrees to protect, indemnify, hold harmless and defend City, its City Council members, officers and employees from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments City may incur, arising, in whole or in part, in connection with or as a result of Contractor's willful acts or negligent acts or omissions under this Contract, under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§9601-9675, as amended); the Resource Conservation and Recovery Act (42 U.S.C. §§6901-6992k, as amended); the Toxic Substances Control Act (15 U.S.C. §§2601-2692, as amended); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Safety Code, §§25300-25395, as amended); the Hazardous Waste Control Law (Health & Safety Code, §§25100-25250.25, as amended); the Safe Drinking Water and Toxic Enforcement Act (Health & Safety Code, §§25249.5-25249.13, as amended); the Underground Storage of Hazardous Substances Act (Health & Safety Code, §§25280-25289.7, as amended); or under any other local, state or federal law, statute or ordinance, or at common law.

7. **Assumption of Risk.** Contractor agrees to voluntarily assume any and all risk of loss, damage, or injury to the property of Contractor which may occur in, on, or about the Project site at any time and in any manner, excepting such loss, injury, or damage as may be caused by the sole willful act or negligent act or omission of City or any of its Council members, officers, employees, agents or representatives.

8. **Waiver.** The acceptance of any payment or performance, or any part thereof, shall not operate as a waiver by City of its rights under this Contract. A waiver by City of any breach of any part or provision of this Contract by Contractor shall not operate as a waiver or continuing waiver of any subsequent breach of the same or any other provision, nor shall any custom or practice which may arise between the parties in the administration of any part or provision of this Contract be construed to waive or to lessen the right of City to insist upon the performance of Contractor in strict compliance with the covenants, terms and conditions of this Contract.

9. **No Exoneration By Inspection:** The City has the right, but not the duty, to inspect Contractor's Work. The right of inspection is solely for the benefit of City. Contractor has the obligation to complete the Work in a satisfactory manner in compliance with Contract requirements. The presence of a City inspector does not shift that obligation to the City or relieve Contractor from its obligations to complete the Work in a satisfactory manner in compliance with the Contract requirements.

10. **Compliance with Laws.** Contractor shall comply with all Laws now in force or which may hereafter be in force pertaining to the Project and Work and this Contract, with the requirement of any bond or fire underwriters or other similar body now or hereafter constituted, with any discretionary license or permit issued pursuant to any Law of any public agency or official as well as with any provision of all recorded documents affecting the Project site, insofar as any are required by reason of the use or occupancy of the Project site, and with all Laws pertaining to nondiscrimination in employment and hazardous materials.

11. **Bonds.** As a condition precedent to City's obligation to pay compensation to Contractor, and on or before the Date of Execution, Contractor shall furnish to the Project Manager the Bonds as required under the Invitation For Bid.
12. **Representations and Warranties.** In the supply of any materials and equipment and the rendering of labor and services during the course and scope of the Project and Work, Contractor represents and warrants:

a. Any materials and equipment which shall be used during the course and scope of the Project and Work shall be vested in Contractor;

b. Any materials and equipment which shall be used during the course and scope of the Project and Work shall be merchantable and fit to be used for the particular purpose for which the materials are required;

c. Any labor and services rendered and materials and equipment used or employed during the course and scope of the Project and Work shall be free of defects in workmanship for a period of one (1) year after the recordation of the Notice of Substantial Completion, or, if no such notice is required to be filed, on the date that final payment is made hereunder;

d. Any manufacturer's warranty obtained by Contractor shall be obtained or shall be deemed obtained by Contractor for and in behalf of City.

e. Any information submitted by Contractor prior to the award of Contract, or thereafter, upon request, whether or not submitted under a continuing obligation by the terms of the Contract to do so, is true and correct at the time such information is submitted or made available to the City;

f. Contractor has not colluded, conspired, or agreed, directly or indirectly, with any person in regard to the terms and conditions of Contractor's Bid, except as may be permitted by the Invitation For Bid;

g. Contractor has the power and authority to enter into this Contract with City, that the individual executing this Contract is duly authorized to do so by appropriate resolution, and that this Contract shall be executed, delivered and performed pursuant to the power and authority conferred upon the person or persons authorized to bind Contractor;

h. Contractor has not made an attempt to exert undue influence with the Purchasing Manager or Project Manager or any other person who has directly contributed to City's decision to award the contract to Contractor;

i. There are no unresolved claims or disputes between Contractor and City which would materially affect Contractor's ability to perform under the Contract;

j. Contractor has furnished and will furnish true and accurate statements, records, reports, resolutions, certifications, and other written information as may be requested of Contractor by City from time to time during the term of this Contract;

k. Contractor and any person performing labor and services under this Project are duly licensed by the State of California as required by California Business & Professions Code Section 7028, as amended; and

l. Contractor has fully examined and inspected the Project site and has full knowledge of the physical conditions of the Project site.

13. **Assignment.** This Contract and the performance required hereunder is personal to Contractor, and it shall not be assigned by Contractor. Any attempted assignment shall be null and void.

14. **Claims of Contractor.** All claims pertaining to extra work, additional charges, or delays within the Contract Time or other disputes arising out of the Contract shall be submitted by Contractor to City in writing by certified or registered mail within ten (10) Days after the claim arose or within such other time as may be permitted or required by law, and shall be described in sufficient detail to give adequate notice of the substance of the claim to City.

15. **Audits by City.** During the term of this Contract and for a period of not less than three (3) years after the
expiration or earlier termination of this Contract, City shall have the right to audit Contractor's Project-related and Work-related writings and business records, as such terms are defined in California Evidence Code Sections 250 and 1271, as amended, during the regular business hours of Contractor, or, if Contractor has no such hours, during the regular business hours of City.

16. Notices. All agreements, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed within two (2) Days by delivery of a hard copy of the material sent by facsimile transmission, in accordance with (1), (2) or (3) above. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City:  
City of Palo Alto  
City Clerk  
250 Hamilton Avenue  
P.O. Box 10250  
Palo Alto, CA 94303

Copy to:  
City of Palo Alto  
Public Works Department  
Engineering Division  
250 Hamilton Avenue  
Palo Alto, CA 94303  
Attn: Karen Bengard, Project Manager

To Contractor:  
McCarthy Building Companies, Inc.  
400 Montgomery Street Suite 700  
San Francisco, CA 94104  
Attn: David P. Parkes

17. Appropriation of City Funds. This Contract is subject to the fiscal provisions of Article III, Section 12 of the Charter of the City of Palo Alto. Any charges hereunder for labor, services, materials and equipment may accrue only after such expenditures have been approved in advance in writing in accordance with applicable Laws. This Contract shall terminate without penalty (I) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (ii) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Contract are no longer available. This Section 16 shall control in the event of a conflict with any other provision of this Contract.

18. Miscellaneous.

a. Bailee Disclaimer. The parties understand and agree that City does not purport to be Contractor's bailee, and City is, therefore, not responsible for any damage to the personal property of Contractor.

b. Consent. Whenever in this Contract the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.

c. Controlling Law. The parties agree that this Contract shall be governed and construed by and in accordance with the Laws of the State of California.

d. Definitions. The definitions and terms set forth in Section 1 of the Standard Drawings and Specifications (1992) of this Contract are incorporated herein by reference.

e. Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Contract which directly results from an Act of God or an act of a
f. Headings. The paragraph headings are not a part of this Contract and shall have no effect upon the construction or interpretation of any part of this Contract.

g. Incorporation of Documents. All documents constituting the Contract documents described in Section 3 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in this Contract and shall be deemed to be part of this Contract.

h. Integration. This Contract and any amendments hereto between the parties constitute the entire agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Contract.

i. Modification of Agreement. This Contract shall not be modified or be binding upon the parties, unless such modification is agreed to in writing and signed by the parties.

j. Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Contract shall define or otherwise control, establish, or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.

k. Resolution. Contractor shall submit with its Bid a copy of any corporate or partnership resolution or other writing, which authorizes any director, officer or other employee or partner to act for or in behalf of Contractor or which authorizes Contractor to enter into this Contract.

l. Severability. If a court of competent jurisdiction finds or rules that any provision of this Contract is void or unenforceable, the provisions of this Contract not so affected shall remain in full force and effect.

m. Status of Contractor. In the exercise of rights and obligations under this Contract, Contractor acts as an independent contractor and not as an agent or employee of City. Contractor shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of City, and Contractor expressly waives any and all claims to such rights and benefits.

n. Successors and Assigns. The provisions of this Contract shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.

o. Time of the Essence. Time is of the essence of this Contract and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday, or any Day observed as a legal holiday by City, the time for performance shall be extended to the following Business Day.

p. Alternative Dispute Resolution. The parties shall endeavor to resolve any disputes or claims arising out of or relating to this Contract by mediation, which, unless the parties agree otherwise, shall be conducted under the auspices of the Judicial Arbitration and Mediation Service (JAMS), San Jose, California. The intent of the parties is that the mediation shall proceed in advance of litigation; however, if any party should commence litigation before the conclusion of mediation, such litigation, including discovery, shall be stayed pending completion of mediation, and by executing this Contract the parties stipulate to mediation in accordance with Santa Clara County Superior Court Local Rule 1.15 or Rule 2-3(b) of the ADR Local Rules of the U.S. District Court for the Northern District of California, as such rules may be amended from time to time. The parties shall share the cost of the mediation, including the mediator’s fee, equally. Any written agreement reached in mediation shall be enforceable pursuant to California Code of Civil Procedure § 664.6, as amended.

q. Venue. Unless the parties mutually agree otherwise, mediation shall take place in San Jose, California. In the event that litigation is commenced by any party hereunder, the parties agree that such action shall be vested exclusively in the state courts of California in the County of Santa Clara or in the United States District Court for the Northern District of California.
r. Recovery of Costs. Each Party shall bear its own costs, including attorney's fees, through the completion of mediation. If the claim or dispute is not resolved through mediation, or if litigation is necessary to enforce a settlement reached at mediation pursuant to California Code of Civil Procedure § 664.6, as amended, then the prevailing party in any subsequent litigation may recover its reasonable costs, including attorney's fees, incurred subsequent to conclusion of the mediation.

s. Flow-down. Contractor agrees to include provisions of this Contract relating to Alternative Dispute Resolution, Venue, and Recovery of Costs in any subcontracts or major material purchase agreements which it enters into in connection with this Contract, and to require its subcontractors to include those provisions in any subcontracts or major material purchase agreements, such that any mediation or litigation of any claim or dispute asserted by a subcontractor or major material supplier will be consolidated with any related claim or dispute between the Contractor and the City. Should the Contractor fail to do so, such that the City is required to defend an action brought by a subcontractor or material supplier inconsistent with the Alternative Dispute and Venue provisions of this Contract, Contractor shall indemnify City for City's costs of defense, including reasonable attorney's fees.

IN WITNESS WHEREOF, the parties have by their duly appointed representatives executed this Contract in the city of Palo Alto, County of Santa Clara, State of California on the date first stated above.

ATTEST:_______________________

CITY OF PALO ALTO

By: _______________________

City Clerk

Its Mayor

APPROVED AS TO FORM:

Senior Assistant City Attorney

APPROVED:

CONTRACTOR:

By: _______________________

Name: _____________________

Title: _____________________

By: _______________________

Name: _____________________

Title: _____________________

(Compliance with California Corporations Code § 313 is required if the entity on whose behalf this contract is signed is a corporation. In the alternative, a certified corporate resolution attesting to the signatory authority of the individuals signing in their respective capacities is acceptable)
CERTIFICATE OF ACKNOWLEDGMENT
(Civil Code § 1189)

STATE OF ____________________________
COUNTY OF __________________________

On __________________________, before me, __________________________, a notary public in and for said County, personally appeared __________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature __________________________ (Seal)
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<th>CHRONOLOGY OF PROCUREMENT ACTIVITY</th>
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<td>APPROVED P.R. RECEIVED BY PURCHASING</td>
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<td>IFB/RFP REVIEWED BY REQUESTING DEPARTMENT</td>
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<td>YES INITIAL DRAFT ISSUED</td>
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<td>IFB/RFP REVIEWED BY CITY ATTORNEY: YES NO</td>
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<td>IFB/RFP MAILED by Purchasing Dept.</td>
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<td>RES-BID CONFERENCE: YES NO</td>
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<td>BID BOND REQUIRED: YES NO</td>
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<td>REVIEW OF BID(S)/PROPOSAL(S)</td>
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<td>REVIEWED BY PURCHASING: YES NO</td>
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<td>REVIEWED BY PROJECT MANAGER: YES NO</td>
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<td>AWARD MADE TO: AUTHORIZED BY</td>
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<td>CONTRACT REVIEWED BY CITY ATTORNEY: YES NO</td>
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<td>APPROVED BY CITY MANAGER: OVER $250,000.00 YES</td>
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<td>CITY COUNCIL APPROVAL: YES CMR NO</td>
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**BASIS FOR AWARD**

- LOW RESPONSIBLE BIDDER (PROVIDE EXPLANATION IF AWARD IS TO OTHER THAN LOW PRICE BIDDER)
- E. OTHER (SEE PROJECT MANAGER/BUYER NOTES ABOVE)
- SOLE SOURCE (APPROVED SOLE SOURCE AUTHORIZATION ATTACHED)
- INSURANCE IN COMPLIANCE (INITIAL )
- INSURANCE NOT REQUIRED (INITIAL )

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The project manager must assure that the attached conflict of interest form 700.
# City of Palo Alto Contract Bid Summary

**REQUEST FOR QUOTATION (RFQ)**

**TITLE:** Parking Structures Lot S/L and Lot R

**DEPT/PROJ.MGR/EXT:**

**PENS:** 3:00 P.M. Tuesday, March 26, 2002

**NUMBER OF VENDORS SOLICITED:** 4

**RESPONDED:**

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## Bidder/Proposer

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<th>DESCRIPTION</th>
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<td>Parking Structures Lot S/L and Lot R</td>
<td>Devcon Construction Inc.</td>
</tr>
<tr>
<td></td>
<td>Milpitas</td>
</tr>
<tr>
<td></td>
<td>Bid Bond ✓</td>
</tr>
<tr>
<td></td>
<td>S.J. Amoroso Construction</td>
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<tr>
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<td>Redwood Shores</td>
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<td>Bid Bond ✓</td>
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<td></td>
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<tr>
<td></td>
<td>San Francisco</td>
</tr>
<tr>
<td></td>
<td>Bid Bond ✓</td>
</tr>
</tbody>
</table>

### Bid Details

<table>
<thead>
<tr>
<th>BASE BID</th>
<th>UNIT PRICE</th>
<th>UNIT PRICE</th>
<th>UNIT PRICE</th>
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<tbody>
<tr>
<td>A</td>
<td>7,683,353.00</td>
<td>7,073,000.00</td>
<td>6,400,000.00</td>
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<tr>
<td>B</td>
<td>16,118,188.00</td>
<td>14,807,000.00</td>
<td>16,418,418.00</td>
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<tr>
<td>C</td>
<td>1,492,050.00</td>
<td>1,100,000.00</td>
<td>8,000,000.00</td>
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<tr>
<td>D</td>
<td>42,000.00</td>
<td>56,000.00</td>
<td>66,500.00</td>
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</tbody>
</table>

**Allowance amount included in base bid**

- $3.00 per L.F
- $4.00 per L.F.
- $4.75 per L.F.

**BASE BID TOTAL**

- $25,360,591.00
- $23,061,000.00
- $23,709,918.00

**Alternate A: Deduct**

- 130,000.00
- 300,000.00
- 173,000.00

**Alternate B: Deduct**

- 195,000.00
- 31,000.00
- 63,214.00

---

### Addenda

- Issued: Number/Date

<table>
<thead>
<tr>
<th>SUBTOTAL</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

---

**PAGE 2 OF**

PUR038.FRM (Rev. 05/28/98)
### CITY OF PALO ALTO CONTRACT BID SUMMARY

**REQUEST FOR QUOTATION (RFQ)**

**Invitation for Bid (IEB)** # 142157

**TITLE:** Parking Structures Lot S/L and Lot R

<table>
<thead>
<tr>
<th>DEPT/PROJ.MGR/EXT:</th>
</tr>
</thead>
</table>

**PENS:** 3:00 P.M. Tuesday, March 26, 2002

**NUMBER OF VENDORS SOLICITED:** 4

**RESPONDED:**

**Contract Manager:** J. Arriola

**IS COMPLETED AND SUBMITTED TO CITY BY SELECTED CONSULTANT IN ADVANCE OF AWARD.**

### BIDDER/PROPOSER

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
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<td>McCarthy Building Company</td>
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<td>San Francisco</td>
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<table>
<thead>
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<th>UNIT PRICE</th>
<th>UNIT PRICE</th>
<th>UNIT PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>7,000,000.00</td>
<td>UNIT PRICE</td>
<td>UNIT PRICE</td>
</tr>
<tr>
<td>B</td>
<td>14,640,380.00</td>
<td>UNIT PRICE</td>
<td>UNIT PRICE</td>
</tr>
<tr>
<td>C</td>
<td>830,000.00</td>
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<td>UNIT PRICE</td>
</tr>
<tr>
<td>D</td>
<td>$2.83 per L.F</td>
<td>39,620.00</td>
<td>UNIT PRICE</td>
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</table>

**BASE BID TOTAL:** 22,535,000.00

Alternate A: Deduct 150,000.00
Alternate B: Deduct 40,000.00

### ADDENDA ISSUED, NUMBER/DATE

<table>
<thead>
<tr>
<th>SUBTOTAL</th>
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PUR038.FRM (Rev. 05/28/98)
This Amendment No. TWO to Contract No. C8103688 ("Contract") is entered into __________, by and between the CITY OF PALO ALTO, a chartered city and a municipal corporation of the State of California ("CITY"), and TURNER CONSTRUCTION COMPANY, a New York corporation, located at 101 Park Center Plaza, Suite 1100, San Jose, CA 95113 ("CONSULTANT").

RECITALS:

WHEREAS, the Contract was entered into between the parties for the provision of professional consulting services relating to the Downtown Parking Structures; and

WHEREAS, the parties wish to amend the Contract;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Paragraph 3.3 of Section 3 is hereby amended to read as follows:

CONSULTANT will assign Greg Smith as the project director to have supervisory responsibility for the performance, progress, and execution of the Project. Pankaj Upadhyay will be assigned as the project coordinator who will represent CONSULTANT during day-to-day work on the Project. Victor Shek will manage the control systems on the Project and is assigned as the Control Systems Engineer. If circumstances or conditions subsequent to the execution of this Contract cause the substitution of the project director, project coordinator, or Control Systems Engineer for any reason, the appointment of a substitute project director, substitute project coordinator or Control Systems Engineer will be subject to the prior written approval of the project manager.

SECTION 2. Paragraph 5.1.1 of Section 5 is hereby amended to read as follows:
5.1.1 In consideration of the full performance of the Basic Services, including any authorized reimbursable expenses, CITY will pay CONSULTANT a fee not to exceed Two Million Eighty-Four Thousand Five Hundred Ninety Eight Dollars ($2,084,598). The total amount payable per phase shall not exceed One Hundred Sixty-Seven Thousand Four Hundred Twelve Dollars ($167,412) for Phases I & II; Two Hundred Eighty-Five Thousand One Hundred Thirty-Eight Dollars ($285,138) for Phase III; and One Million Six Hundred Thirty-Two Thousand Forty-Eight Dollars ($1,632,048) for Phase IV (construction). The amount of compensation will be calculated in accordance with the hourly rate schedule set forth in Exhibits "B" for Phase I and II, "B-I" for Phase III, and "B-2" for Phase IV, on a time and materials basis, up to the maximum amount set forth in this Section. The fees of the consultants, who have direct contractual relationships with CONSULTANT, will be approved, in advance, by CITY. CITY reserves the right to refuse payment of such fees, if such prior approval is not obtained by CONSULTANT.

SECTION 3. The following exhibit(s) to the Contract are hereby amended to read as set forth in the attachment(s) to this Amendment, which are incorporated in full by this reference:

a. Exhibit "A-2", consisting of two documents entitled "Scope of Services-Project Management Services for Phase IV", and "Staffing Chart".

b. Exhibit "B-2" entitled "Fee Schedule for Phase IV".

SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Contract on the date first above written.

ATTEST:

City Clerk

CITY OF PALO ALTO

Mayor

TURNER CONSTRUCTION COMPANY

By:

Name: Richard N. Dennis

Title: Executive Vice President

By:

Name: Danny Cooke

Title: Operations Manager/VP

Director of Public Works

Taxpayer Identification No.

13-1401980

(Risk Manager

Compliance with Corp. Code § 313 is required if the entity on whose behalf this contract is signed is a corporation. In the alternative, a certified corporate resolution attesting to the signatory authority of the individuals signing in their respective capacities is acceptable)

Attachments:

EXHIBIT "A-2": SCOPE OF PROJECT

EXHIBIT "B-2": RATE SCHEDULE
CERTIFICATE OF ACKNOWLEDGMENT
(Civil Code § 1189)

STATE OF CALIFORNIA
COUNTY OF ALAMEDA

On APRIL 10, 2002 before me, the undersigned, a notary public in and for said County, personally appeared RICHARD N. DORais personally known to me [as proved to me on the basis of satisfactory evidence] to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Janet R. Gilliam
Signature of Notary Public

JANET R. GILLIAM
Commission No. 1315553
Notary Public - California
Alameda County
Expires July 29, 2006
CERTIFICATE OF ACKNOWLEDGMENT
(Civil Code § 1189)

STATE OF CALIFORNIA

COUNTY OF ALAMEDA

On APRIL 10, 2002 before me, the undersigned, a notary public in and for said County, personally appeared

DANNY COOLE

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Janet R. Gilliam
Signature of Notary Public

JANET R. GILLIAM
Commission # 13186923
Notary Public - California
Alameda County
My Commission Expires Jul 30, 2006
Scope of Services
PROJECT MANAGEMENT SERVICES
Construction Phase (Phase IV)
DOWNTOWN PARKING STRUCTURES (CIP 19530)

GENERAL

The Public Works Department, Engineering Division, is interested in obtaining consultant services to provide on-site construction management (CM) services during construction of two parking garages in downtown Palo Alto. The estimated construction cost is $35-39 million, funded by the formation of an assessment district by downtown property owners. The two new garages will be built simultaneously and existing City staffing levels are not sufficient to manage a project of this size. The design of the garages by the Watry Design Group is currently nearing completion and it is estimated that construction will start in the Spring of 2002. CM services would commence shortly before the project is advertised for bid (likely during the contractor prequalification phase).

One of the structures will be located at the site of existing surface Lot R (between High and Alma Streets, between University and Hamilton). The garage will have one parking level at-grade and four parking levels above-grade, for a total of about 200 spaces. This lot is bordered on the north by two buildings, one of which is a two-story retail/office. The south side is bordered by a single, unreinforced masonry building running the entire length of the lot which houses a variety of retail shops. A portion of the masonry building is historic, estimated to be nearly 100-years old.

The second structure will be built on Lot S/L (at Bryant/Lytton Avenue). It will have two basement levels, one level at-grade and four levels above grade, for a total of about 700 parking spaces.

SCOPE OF WORK - CONSTRUCTION PHASE
Construction Management Services
The Consultant shall implement the contract documents, coordinate with the contractor and provide day to day management to include the following activities:

April 10, 2002
Secure Inspection Services

The Consultant shall secure the services a testing agency for materials testing as well as for Special Inspections such as weld and fastener inspection, post/pre-tensioned concrete inspection, electrical, mechanical, etc. The inspector(s) shall be a subconsultant(s) to the Consultant and the subconsultant fee should be included in the RFP fee.

The Consultant shall coordinate and schedule progress field tests and any required sign-offs. Consultant shall review testing agency reports for compliance with specifications.

Post-Construction Services

Consultant shall:

Under the direction of the Project Manager, work to resolve all contract claim issues (Stop Notices, bonding, etc).

Ensure that warranty information is provided by the contractor. Warranty and other related close-out information shall be compiled by Consultant and grouped by specifications sections.
Coordinate the preparation of record drawings with the contractor and review these drawings for as-built accuracy.

Consolidate all project files and documentation.

Respond to and coordinate items related to defective work-items that are included in the project's warranty period. This may include coordinating the services of Watry Design Group, contractor or City maintenance staff.

**ADMINISTRATIVE, MEETINGS, REIMBURSABLES**

**Review Invoicing and Correspondence**

Consultant shall review payment invoices submitted by the Watry Design Group and contractor. Within ten (10) days of its receipt from the Project Manager, Consultant shall verify the accuracy and resolve any discrepancies in the invoice(s).

Consultant shall review and comment on any project-related correspondence if requested by the Project Manager. Routine correspondence that is related to product information or minor design issues may be prepared and answered by the Consultant on the Consultant's letterhead, with a copy of the response directed to the Project Manager and to the Design Consultant. Correspondence requiring City response shall be signed only by the Project Manager.

**Meetings**

Throughout the construction process, Consultant shall be prepared to address comments and concerns of the contractor, Watry Design Group, downtown merchants and citizens on an as-needed basis. In addition, Consultant shall be prepared to attend the following anticipated meetings:

- Meet as-needed with contractors to discuss the project and/or pre-qualification process.
- Pre-bid meeting with interested contractors
- One City Council meeting for award of construction contract.
- Pre-construction meeting with contractor
- Site meetings with contractor and City staff.
- Meet as-needed with Watry Design Group
- Attend meetings with various City departments as-needed to coordinate design plans or construction logistics

**Reimbursables**

Fee for this should include miscellaneous costs incurred such as travel, copying documents, telephone charges, film, video, photographs, computer and postage expenses and operational costs related to implementation of a Prolog project tracking system.

April 10, 2002
Costs for film, film developing, video and other documentation needed to show progress or work issues shall be included herein.

Office space and equipment for Consultant staff shall be part of the contractor’s bid package.

**Extra Services**

If all construction bids are rejected as a result of funding constraints, Consultant shall work with Watry Design Group to identify areas for potential scope reduction. Consultant shall prepare a background information report that summarizes the bids received and a recommended action(s).

If hazardous material is uncovered or other unforeseen circumstances that require additional staffing levels should arise, Consultant shall assign additional staff as needed. Any additional staff assigned shall be approved by the City.
# Palo Alto Parking Garage

## STAFFING CHART

<table>
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<tr>
<th></th>
<th>Man Months</th>
<th>Total Dollars</th>
<th>Monthly Rate</th>
<th>Hourly Rate</th>
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<tr>
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<td></td>
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<tr>
<td>Project Executive</td>
<td>0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1</td>
<td>1.0</td>
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<td>25,007</td>
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<td><strong>SuperIntendence</strong></td>
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<tr>
<td>Construction Manager</td>
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<td>17.0</td>
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<td>21,921</td>
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<td><strong>Engineering</strong></td>
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<td></td>
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<tr>
<td>Project Engineer</td>
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<td>21.0</td>
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<td><strong>Total per Month</strong></td>
<td>0.0 0.0 2.5 3.8 3.5 3.8 3.5 3.8 3.5 3.8 3.5 3.8 3.5 3.8 3.5 3.8 3.5</td>
<td></td>
<td>1,210,642</td>
<td>1,381,962</td>
</tr>
</tbody>
</table>

**Subtotal**

- Escalation: 36,919
- General Conditions: 135,000
- Total Turner: 1,381,962

**Lot/Lot & Handling:**

- Lot R: 98,447
- Lot LS: 129,004
- Turner Handling Fee: 22,735
- Total All: 1,632,048

---

If Owner and Consultants agree that the project workload requires reduced or additional staff during the duration of this Project Agreement, based on the judgment of the Owner and recommendation from the Consultant, then either the scope of this agreement will be reduced or an amendment will be executed to cover the need for additional staff.

Should the project duration be extended through no fault of the Consultant, staff durations shall be extended as additional dollars added to the contract to cover such extensions.
<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Hourly Rate</th>
<th>Full Time (F/T) or Part Time (P/T)</th>
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<td>Pankaj Upadhyay</td>
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<td>F/T</td>
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<td>Controls Engineer</td>
<td>Victor Shek</td>
<td>$91</td>
<td>F/T</td>
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<tr>
<td>Administrative</td>
<td>Gina Gaines</td>
<td>$62</td>
<td>P/T</td>
</tr>
</tbody>
</table>

Rates assume that vacation, sick time and holiday time will be included. Staff indicated as full time will be billed for a full month. Part time staff will be billed for actual hours worked.

Rates are subject to annual increases of 5% on January 1 of each year.
AMENDMENT NO. THREE TO CONTRACT NO. C6076145
BETWEEN THE CITY OF PALO ALTO AND
WATRY DESIGN, INC.

This Amendment No. Three to Contract No. C6076145 ("Contract") is entered into by and between the CITY OF PALO ALTO, a chartered city and a municipal corporation of the State of California ("CITY"), and WATRY DESIGN, INC. a California corporation located at 815 Hamilton Street, Redwood City, CA 94063 ("CONSULTANT).

RECITALS:

WHEREAS, the Contract was entered into between the parties for the provision of design consultant services; and

WHEREAS, the parties wish to amend the Contract;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 6.1 is hereby amended to read as follows:

"In consideration for the full performance of the Basic Services and Reimbursable Expenses described in Section 4.1 and 6.1.3 of this Agreement, CITY agrees to pay CONSULTANT a fee not to exceed Seventy Thousand Dollars ($70,000) for Phase One; Six Hundred Eighty-two Thousand One Hundred Thirty-six Thousand Dollars ($682,136) for Phase Two; and One Million Six Hundred Thirty-six Thousand Dollars ($1,636,000) for Phase III and IV final design and construction administration. An additional fee not to exceed Sixty-nine Thousand Two Hundred Dollars ($69,200) shall be paid by CITY for fee inflation costs, additional subconsultant design oversight and construction document reimbursables, as described in Exhibit "C-1".

SECTION 2. The following exhibit is hereby added to the contract to read as set forth in the attachment(s) to this Amendment, which are incorporated in full by this reference:

a. Exhibit "C-1" entitled "Request for Contract Amendment and Rate Schedule".

//

//
SECTION 3. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

ATTEST:

City Clerk
APPROVED AS TO FORM:
Senior Asst. City Attorney
APPROVED:
Assistant City Manager
Director of Public Works
Director of Administrative Services
Insurance Review

CITY OF PALO ALTO

Mayor
WATRY DESIGN, INC.
By: David Lococo
Name: David Lococo
Title: Vice President
By: John Purinton
Name: John Purinton
Title: Secretary
Taxpayer Identification No.
94-2302782

(Compliance with Corp. Code § 313 is required if the entity on whose behalf this contract is signed is a corporation. In the alternative, a certified corporate resolution attesting to the signatory authority of the individuals signing in their respective capacities is acceptable)

Attachments:

EXHIBIT "C-1": Request for Contract Amendment and Rate Schedule
CERTIFICATE OF ACKNOWLEDGMENT
(Civil Code § 1189)

STATE OF California
COUNTY OF San Mateo

On April 9, 2002, before me, the undersigned, a notary public in and for said County, personally appeared
David Lo Coco & John Purinton,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

CHARLENE XUEREB
Commission # 1190685
Notary Public - California
San Mateo County
My Comm. Expires Jul 24, 2002
CERTIFICATE OF ACKNOWLEDGMENT
(Civil Code § 1189)

STATE OF California
COUNTY OF San Mateo

On April 9, 2002, before me, the undersigned, a notary public in and for said County, personally appeared David LoCoco & John Purinton, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

[Seal]
March 26, 2002

Ms. Karen Bangard
City Of Palo Alto
250 Hamilton Ave.
Palo Alto, CA 94303

Re: Palo Alto Parking Structures Phase III
Project #9533A.312
Request for Contract Amendment

Dear Karen,

Per our discussion last week, we are writing to request an amendment to our contract of June 4, 2001 for the Palo Alto Parking Structures Phase III. We have identified the following scope changes which modify our contract:

1. Escalation, Lots S/L and R
   (ref. WDI Contract Fee Proposal p.4: Assumptions Item 3)

   WDI's contract stipulates “if the design services covered by this agreement have not been completed within 18 months of the date hereof (April 17, 2001) the remaining fees shall be escalated at the rate of 4% per year’. Therefore we request that for the work remaining as of February 17, 2002 our fee may be raised by 4%.

   \[0.40 \times \$65,000 \times 0.04 = \$1,040\]
   \[1.00 \times \$291,700 \times 0.04 = \$11,668\]

   **SUBTOTAL ITEM 1**
   \$12,640

2. Construction Administration, Lot R
   (ref. WDI Contract Fee Proposal Exhibit A page 6: Additional Services item 6)

   WDI originally assumed construction administration to be exclusively the responsibility of WDI and is reflected in the fee proposal. Subsequently, Joseph Bellomo Associates (JBA) have insisted upon significant involvement during CA. JBA fees for this service were not included in the original proposal, nor were WDI fees resulting from the additional effort required to include JBA review in the process. The following itemizes the quoted and anticipated fees for this service:

   - Submittals review by JBA: \$11,700
   - RFI's by JBA: \$2,300
   - Site visits by JBA: \$2,260
   - WDI coordination with JBA: \$24,800
   - **SUBTOTAL** \$41,060

   **EXHIBIT "C-1"**
In addition to the CA services associated with JBA, during Phase III several additional subconsultants have been added to the project with whom coordination will be required during construction administration. These include:

- Security: Tomasi Dubois: $1,500
- Elevator: Hesselberg Keesee: $2,000
- Art: Sam Smidt: $2,000
- SUBTOTAL: $5,500

**SUBTOTAL ITEM 2**

$46,560

3. Reimbursables
   (ref. WDI Contract Fee Proposal Exhibit A page5,6: Reimbursed Expenses)

WDI's proposal did not include printing of construction documents. At this point we estimate an additional 30 sets of drawings and specifications will be needed for construction. The estimated reimbursable allowance required for printing is $10,000.

**SUBTOTAL ITEM 3**

$10,000

Total Compensation and Reimbursables for this Contract Amendment: $69,200

We appreciate your consideration of our request for this contract amendment.

Sincerely,

WATRY DESIGN, INC.

Michelle Wendler, Architect
Principal

Attachments: Appendix A: WDI Schedule of Hourly Billing Rates

CC: Gary Newgard, Lisa Blanton, John Purinton, David Lococo, Ray Bligh, Julie George
Our current standard hourly rate schedule is:

- Nick Watry: $185/hour
- Senior Consultant: $165/hour
- Consultant: $140/hour
- Principal: $135/hour
- Sr. Project Mgr: $120/hour
- Project Manager: $110/hour
- Asst. Project Mgr: $100/hour
- Senior Job Captain: $100/hour
- Job Captain: $95/hour
- Senior Designer: $85/hour
- Staff Designer: $80/hour
- Clerical: $50/hour

These rates will be adjusted by 4% per year starting on the first anniversary date of the contract.