



# CITY COUNCIL AGENDA REPORT



**DEPARTMENT:** City Manager's Office

**MEETING DATE:** April 7, 2015

**PREPARED BY:** Oliver Chi, City Manager /  
Lauren Vasquez, Senior Management Analyst

**AGENDA LOCATION:** AR-4

**TITLE:** Additional Professional Design, Engineering, and Project Management Expenses by IBI Group for the Station Square Project in an Amount not to Exceed \$650,000.00; and Verbal Update on the Station Square Project

**OBJECTIVE:** To authorize staff to expend an additional amount not to exceed \$650,000 with the IBI Group for Station Square related design, engineering, and project management costs, and to receive a verbal update regarding the Project

**BACKGROUND:** On May 7, 2013, the City Council approved a professional services agreement with IBI Group (IBI) for an amount not to exceed \$2.988 million. The contract with IBI was designed as an hourly services agreement for the comprehensive Station Square initiative that included planning, design, architectural, engineering, and construction management services.

However, as the overall Station Square initiative has evolved, several factors have resulted in cost-overruns for project design, engineering, and construction management related components. For instance, in mid-2014, staff requested that IBI provide additional engineering and design services beyond the scope of their original agreement for a variety of project enhancements. Additionally, the overall construction plans for the complete Station Square initiative may have been bid prematurely and have, after the start of construction, required extensive additional engineering and construction management support from IBI.

**ANALYSIS:** The City's current base contract with IBI contains three distinct project cost components, including A&E Design Services, Construction Management, and Direct Expenses. Per the City Council approved agreement with IBI, the initial budget with IBI called for an expenditure of \$2,453,111 in A&E Design Services, \$453,860 in Construction Management costs, and \$81,394 in Direct Expenses, for a total contract cost of \$2,988,365.

Based on the status of the Station Square construction project to date, it is projected that for currently approved project components, the City will need an additional \$447,765 in funding to pay for services provided by IBI through the end of construction. These additional costs include an increase of \$503,221 in A&E Design Services, a decrease of \$55,456 in Construction Management costs, and no change in Direct Expenses. The table below outlines these overall projected changes and illustrates how our new revised cost for current Station Square services with IBI will increase to \$3,436,130.

IBI Contract Cost Components	Original Contract Amount	Projected Adjustment Needed Through Project Completion	New Revised IBI Contract Amount
A&E Design Services	\$ 2,453,111	\$ 503,221	\$ 2,956,332
Construction Management	\$ 453,860	\$ (55,456)	\$ 398,404
Direct Expenses	\$ 81,394	\$ -	\$ 81,394

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<b>TOTAL COSTS</b>	\$	2,988,365	\$	447,765	\$	3,436,130
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In addition to the above referenced project costs, which only reflect the currently approved scope of work with IBI, there are also a variety of additional engineering and design related changes that need to be made in order to ensure the proper completion of the Station Square project. These changes, which total an additional \$160,000 in added costs, include the following components:

<b>Additional Project Component</b>	<b>Cost</b>
Electrical Conduit for Future SCE Transformer at Historic Depot	\$ 10,761
Lighting for GLCA Rock Sculpture	\$ 3,930
Duarte / Walker Left Turn Lane	\$ 17,700
Off-Site Pavement Changes	\$ 19,145
California Median Revisions & Turn Lanes	\$ 20,000
Other A&E	\$ 50,000
Revision Allowance	\$ 38,464
<b>TOTAL ADDITIONAL IBI PROJECT COSTS</b>	<b>\$ 160,000</b>

This means that between the \$447,765 in additional IBI costs for current Station Square project components, and the added \$160,000 in pending Station Square project adjustments, the City will need an estimated \$607,765 to pay for known projected IBI costs to complete the Station Square initiative.

Therefore, given the potential that other design and engineering changes may need to be made before we complete construction for the Station Square project, it is recommended that the City Council authorize staff to expend an additional amount not to exceed \$650,000 to pay for IBI related costs through the end of construction for the overall Station Square initiative.

**FISCAL IMPACT:** Based on the overall Station Square project budget, funding is available to pay for these additional IBI design and engineering costs. In total, the overall project has \$24.1 million in available funding, and the current City Council approved project expenses total \$20.9 million. This means that the City still has \$3.2 million available to fund other eligible Station Square related costs.

Based on our current plans, staff would recommend that the City reserve a portion of the additional funds that are currently available to fund the following three project components:

1. \$1.5 million for rehabilitating the Historic Depot
2. \$650,000 for additional Station Square design and engineering work to be performed by IBI
3. \$316,384 for utility relocation costs

If the City Council approves funding for each of the above recommended items, the overall Station Square project budget would still have around \$751,445 remaining in unallocated funds. It is important to note that these dollars could become necessary to fund unanticipated Station Square construction related costs. However, should any of these remaining funds not be expended towards the project, staff would recommend that the monies be returned to Measure R at the conclusion of the Station Square project for reallocation towards other City infrastructure initiatives.

A more detailed overview of the overall Station Square project budget includes the following components:

**Station Square Transit Village  
Project Budget Overview**

***Funding Sources***

GLCA Funds	\$	15,750,000
5309 Funds	\$	5,464,732
Measure R Funds	\$	1,300,000
Urban Greening Grant	\$	995,000
Proposition C Funds	\$	600,000
<b>TOTAL FUNDING SOURCES</b>	<b>\$</b>	<b>24,109,732</b>

***Approved Project Costs***

M.S. Construction	\$	6,570,771
Griffith Construction	\$	10,964,738
IBI Design / Engineering / CM Contract	\$	2,988,367
Metro Admin Fee	\$	368,027
<b>TOTAL APPROVED PROJECT COSTS</b>	<b>\$</b>	<b>20,891,903</b>

***Current Projected Available Project Funding***

Total Funding	\$	24,109,732
Total Current Costs	\$	(20,891,903)
<b>TOTAL FUNDS REMAINING</b>	<b>\$</b>	<b>3,217,829</b>

***Additional Recommended Project Costs***

Historic Depot	\$	1,500,000
Utility Relocation	\$	316,384
Additional IBI Costs	\$	650,000
<b>TOTAL ADDITIONAL COSTS</b>	<b>\$</b>	<b>2,466,384</b>

***Projected Remaining Project Funding***

Total Funding	\$	24,109,732
Total Current Costs	\$	(20,891,903)
Total Additional Costs	\$	(2,466,384)
<b>TOTAL REMAINING FUNDS</b>	<b>\$</b>	<b>751,445</b>

**OPTIONS:** The following options are presented for City Council consideration:

1. Authorize staff to expend an additional amount not to exceed \$650,000 with the IBI Group for Station Square related design, engineering, and project management costs.
2. Deny the request to expend an additional amount not to exceed \$650,000 with the IBI Group for Station Square related design, engineering, and project management costs.

**RECOMMENDATION:** Staff recommends that the City Council select Option 1 and authorize staff to expend an additional amount not to exceed \$650,000 with the IBI Group for Station Square related design, engineering, and project management costs.

**CITY COUNCIL ACTION REQUIRED:** If the City Council concurs with staff's recommendation, the appropriate action would be a motion to authorize staff to expend an additional amount not to exceed \$650,000 with the IBI Group for Station Square related design, engineering, and project management costs.