

AGENDA ITEM NO.
COUNCIL MEETING
APPROVED BY
DEPARTMENT DIRECTOR
CITY MANAGER

February 6, 2007

FROM: RENE A. RAMIREZ, Director *RAM*
Department of Public Utilities

BY: LON M. MARTIN, Assistant Director *L.M.*
Department of Public Utilities

SUBJECT: AUTHORIZED STAFF TO NEGOTIATE AND ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH QUAD KNOPF INC. FOR THE DESIGN OF A TWO-MILLION GALLON WATER STORAGE TANK AND WATER SUPPLY WELL INCLUDING COMPONENTS FOR A DOWNTOWN WATER FEATURE

KEY RESULT AREA

Resource Management

RECOMMENDATION

Staff recommends that the City Council:

1. Authorize staff to negotiate and enter into a Professional Services Agreement with Quad Knopf Inc. for a not exceed amount of \$1.3 million utilizing the City standard consultant agreement and authorize the Public Utilities Director to sign the Agreement on behalf of the City.

EXECUTIVE SUMMARY

The Development Department in conjunction with the City Manager's Office recently solicited Quad Knopf Inc. to provide a proposal for the conceptual development of a downtown water feature based upon their professional capability to perform the desired consultant services. In an effort to combine projects that will promote revitalization in downtown Fresno, it has been proposed that the Department of Public Utilities incorporate its budgeted downtown two-million gallon water storage (Tank) into the proposed water feature, creating a multi-purpose use of valuable downtown property. On January 19, 2007, Quad Knopf proposed a conceptual water site plan as the initial phase of the downtown water feature. In an effort to expedite the construction of this facility and encourage revitalization development in downtown Fresno, the Department of Public Utilities through the City Manager's Office has selected Quad Knopf Inc. to perform engineering services for the design of the Tank site by use of the Exception clause outlined in Administrative Order (A.O.) 6-19. A.O. 6-19 requires staff to solicit Request for Proposals (RFP) from several consultants and select the most highly qualified and competent consultant who will be best able to provide the City quality services at the best value. A.O. 6-19 also allows for an "exception" to this selection process when it is determined by the City Manager that the provision of services is time sensitive provided the determination is memorialized in writing and signed by the City Manager or a designated Assistant City Manager. The final Professional Services fee will not exceed \$1.3 million.

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KEY OBJECTIVE BALANCE

Council action on this matter optimizes the three key objectives of customer satisfaction, employee

satisfaction, and financial management by allowing the Water Division to maximize available water supply in the downtown area. Customer satisfaction is achieved by increasing the water supply and fire suppression capacity for existing customers and new development associated with the revitalization of downtown Fresno. Employee satisfaction is derived from the fact that Division staff will have water supply redundancy in an area where water infrastructure is approaching its useful life expectancy. Financial management is achieved by incorporating a necessary component required for the redevelopment of downtown area within the water feature project that will encourage revitalization.

BACKGROUND

The Downtown Fresno water supply is produced predominantly by five water wells located within the area bounded by Freeways 41, 99 and 180. The freeways create natural barriers that limit the flow of water supply developed in other areas of the City from entering the downtown area due to the limited number of water mains crossing the Freeways. Approximately two years ago, Water Division staff began exploring water supply options to adequately and efficiently increase water supply and fire suppression capacity in the downtown area that will not only replace existing infrastructure that is deteriorating due to age, but will support future redevelopment without interfering with the revitalization of valuable downtown property. Due to the large quantity of property slated for redevelopment and existing groundwater contamination limiting site acquisition for new water wells, the Department of Public Utilities has opted to construct a two-million gallon water storage tank facility including the construction of a single water well.

In an effort to locate real estate in the downtown area on which to construct the Tank, Water Division staff has been working cooperatively the Redevelopment Agency. The City Manager's Office, in conjunction with the Redevelopment Agency, the Economic Development Department and Development Department, who had recently began conceptualizing a downtown water feature project within the South Stadium redevelopment area recommended incorporating the Tank site into the water feature project. Incorporating the two projects together creates a dual use of real estate, reduces the aggregate property needed for utility purposes and increases available land for redevelopment which generates a higher tax base and revenue for the City.

Beginning in November, the Development Department solicited Quad Knopf to provide a proposal for the conceptual development of the downtown water feature. On January 19, 2007, Quad Knopf proposed the water Tank site as the initial phase of the water feature. This phase includes a below grade Tank and related structures and infrastructure, a white water rapids facility and an outdoors amphitheatre. The Water Division will only be constructing those facilities necessary to support the storage and pumping of potable water.

As indicated by the City Manager's Office, the City desires to begin construction of the water feature by July 1, 2007. Considering the aggressive timetable and the expediency of the services needed to begin design of the Tank site, staff has exercised the Exception clause outlined in A.O. 6-19. A.O. 6-19 requires staff to solicit Request for Proposals (RFP) from several consultants and select the most highly qualified and competent consultant who will be best able to provide the City quality services at the best value. A.O. 6-19 also allows for an "exception" to this selection process when it is determined by the City Manager that the provision of services is time sensitive or services must be rendered before and RFP process can be completed provided the determination is memorialized in writing and signed by the City Manager or a designated Assistant City Manager. It can be expected that a scope-of-work will be finalized immediately following Council approval authorizing the Department of Public Utilities Director to contract for the services utilizing the City standard consulting agreement.

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FISCAL IMPACT

A total of \$1.3 million will be needed for the professional services which include project management,

environmental, entitlement, architectural and engineering, construction and project startup services. Water Division initially funded \$425,000 within the fiscal year 2007 Water Enterprise Fund 40101 for the acquisition of consultant services. By reprioritizing current capital improvement projects funded within Water Enterprise Fund 40101, an additional \$875,000 will be reallocated through a Non Annual Appropriations Resolution. Next Council meeting staff will bring back to council a request for authorization to reallocate funds necessary to complete this project.

Attachments:

- City Manager Exception Determination

City of



Department of Public Utilities

January 23, 2007

TO: JON RUIZ, Assistant City Manager

THROUGH: RENE A. RAMIREZ, Director of Public Utilities *RAM*

FROM: LON M. MARTIN, Assistant Director of Public Utilities *L.M.M.*

SUBJECT: DOWNTOWN WATER STORAGE TANK – CONSULTANT SERVICES ACQUISITION

The Development Department in conjunction with the City Manager's Office recently solicited Quad Knopf Inc. to provide a proposal for the conceptual development of a downtown water feature. In an effort to combine projects that will promote revitalization in the downtown area, it has been proposed that the Department of Public Utilities incorporate its budgeted downtown water storage tank into the proposed water feature. On January 19, 2007, Quad Knopf proposed a conceptual water tank site plan as the initial phase for a downtown water feature. This phase includes a below grade two-million gallon water storage tank and related structures and infrastructure, a white water rapids facility and an amphitheatre.

As you are aware, the City desires to begin construction of the water feature by July 1, 2007. Normally, and according to Administrative Order (A.O.) 6-19, staff would solicit RFP's from several consultants for retention of engineering services. Due to the expediency of the services needed, the Department of Public Utilities is requesting authorization to acquire engineering services as prescribed under the Exception clause of A.O. 6-19. The scope-of-work has not been finalized but it is anticipated that the fee for services will be approximately \$1.3 million. It can be expected that a scope-of-work will be finalized following Council approval on Feb. 6, 2007, authorizing the Department of Public Utilities Director to contract for the services utilizing the City standard consultant agreement.

According to A.O. 6-19, the request for an Exception must be memorialized in writing and signed by the City Manager or designated Assistant City Manager. I am requesting authorization to hire Quad Knopf Inc. under the Exception clause outlined in A.O. 6-19.

A handwritten signature in black ink, appearing to read "Jon Ruiz", written over a horizontal line.

Jon Ruiz
Assistant City Manager

2/1/07
Date