



REPORT TO COUNCIL City of Sacramento

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Staff Report
July 25, 2006

**Honorable Mayor and
Members of the City Council**

Title: Agreement: Studios for the Performing Arts Project, Architectural Services

Location/Council District: 725 14th Street, District 1

Recommendation:

Adopt a **Resolution** 1) suspending competitive bidding for architectural services for the Studios for the Performing Arts (SPA) Project as in the best interests of the City; 2) accepting the architectural services proposal from Dreyfuss and Blackford Architects (D&B) for the SPA Project in an amount not to exceed \$921,118; and 3) authorizing the City Manager or his designee to execute a sole-source professional services agreement with D&B for the architectural services for the SPA Project in an amount not to exceed \$921,118.

Contacts: Cynthia Kranc, Facilities Manager, Department of General Services, 808-2258; Sheryl A. Taylor, Senior Project Manager, Economic Development Department, 808-7204; Barbara Bonebrake, Director, Convention Center & Leisure Department, 808-7733; Reina J. Schwartz, Director, Department of General Services, 808-7195

Presenters: None

Department: General Services

Division: Facilities and Real Property Management

Organization No: 3282

Description/Analysis:

The proposed \$18 million Studios for the Performing Arts (SPA) facility will accommodate rehearsal, office and classroom space for four arts organizations: The Sacramento Ballet, The Sacramento Opera Company, Sacramento Philharmonic Orchestra Association, and California Musical Theatre. The facility will be located at 725 14th Street. On April 11, 2006, City Council approved the site acquisition and allocated \$2.9 million to purchase the property and demolish existing improvements. Escrow closed on May 1, 2006.

Issue: Architectural services are needed for the SPA project. With pending lease expirations, time is of the essence in completing the SPA project. Entering into a sole-source professional services agreement with D&B for the architectural work will expedite the timeline. Additionally, it is in the best interests of the City to retain this firm to work on the architectural services since D&B has already provided pro bono preliminary programming, plans and concepts for the project. D&B is positioned to perform the architectural work immediately; has an understanding of the arts organizations' needs; and is willing to perform these services at a price that is approximately 11 percent less than the City's cost estimate for these services. The savings estimate is based on using an industry standard that architectural services for a complex project of this type would be an amount equal to approximately nine percent of the project's construction estimate (\$11.5 million construction estimate; 9 percent = \$1.04 million estimate of architectural costs).

Staff recommends that it is in the best interests of the City to suspend competitive bidding and proceed with a sole-source professional services agreement with D&B to perform the architectural services required for the project.

Policy Considerations: The City Code authorizes the suspension of competitive bidding by a 2/3 vote of the Council when it is in the best interests of the City. This Project may be funded with tax-exempt bonds. As a general rule, projects constructed with tax-exempt bond funds must be completed within 3 years of bond issuance. The agreement for architectural services for the SPA Project must be expedited to ensure the Project is completed in a timely manner.

The request for the sole-source agreement is also intended to facilitate compliance with the guiding principles adopted by the Council for the use of CRCIP bond proceeds. In particular, Council has stated that Project design should be completed by July 1, 2007. The complexity of the SPA Project requires the planning and design commence immediately or the plans will not be completed by this date.

A further guiding principle adopted by the Council provides that bond proceeds should not be advanced until at least fifty percent of the needed external funding has been raised. The Memorandum of Understanding between the City and the Arts Organizations is consistent with this guideline. It provides that 100% of external funding shall be raised by the Arts Organizations before the City issues its Request for Proposals for Project Construction. The action being requested of Council will require the expenditure of a limited amount of bond proceeds. As noted above, this is necessary to allow for the timely completion of the Project. It should also be noted that this Project is a joint project that will be owned by the City.

Environmental Considerations: This report concerns administrative activities that will not have any significant effect on the environment, and that do not

constitute a "project" as defined by as defined by California Code of Regulations, title 14, sections 15061(b)(3) and 15378(b). Additional environmental review, as needed, will occur at the time of development or improvement of the site.

Rationale for Recommendation: This sole-source professional services agreement is recommended for the following reasons:

- D&B has provided pro bono preliminary design support to this project on behalf of the Arts organizations for several months and they are familiar with the project.
- D&B has already completed a preliminary program, conceptual drawings, and a conceptual floor design.
- D&B's proposal would save the City 11 percent on the estimated architectural costs for the project.
- Entering into this sole-source agreement with D&B for architectural services will significantly expedite the overall timeline, allowing the project to be ready for bid/construction in the fall of 2007. Typically a project of this size and complexity would have a design and construction timeline of three to four years. Due to the expiration of various Arts organizations leases this project needs to be completed in two and one-half years. As a result, quick movement is critical to the success of the project.

For these reasons, it is in the best interests of the City to retain D&B to provide architectural services needed for the SPA project.

Financial Considerations: The SPA project is one of the projects included in the 2006 Community Reinvestment Capital Improvement Program (CRCIP) approved by Council on May 23, 2006. As of July 6, 2006, the SPA project has an unobligated balance of approximately \$11 million, which is sufficient to execute this agreement with D&B for architectural services in an amount not to exceed \$921,118.

Emerging Small Business Development (ESBD): Dreyfuss and Blackford Architects is certified as an SBE through May 31, 2007.

Respectfully Submitted by: Barbara E. Bonebrake
Barbara E. Bonebrake
Director, Convention, Culture and Leisure

Respectfully Submitted by: Reina J. Schwartz
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:

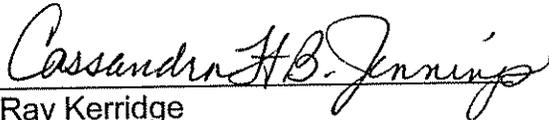

for Ray Kerridge
City Manager

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Background

In 2005, the City of Sacramento was approached by four Arts organizations to seek a partnership in a public-private project to provide rehearsal, office and classroom space for the Arts organizations. The Arts organizations are The Sacramento Ballet, The Sacramento Opera Company, Sacramento Philharmonic Orchestra, and California Musical Theatre. The Studios for the Performing Arts (SPA) Project will provide multiple benefits to the region which will facilitate a positive performing arts environment.

On October 11, 2005, City Council authorized the City Manager to identify projects for a 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. This project was formerly known as the Arts Rehearsal Space Project and was included in the approved 2006 CRCIP bond issuance.

Ancillary to the CRCIP process, on April 11, 2006, City Council approved acquisition of the site at 725 14th Street and allocated \$2.9 million to purchase the property and demolish existing improvements. Escrow closed on May 1, 2006.

Dreyfuss & Blackford Architects (D&B) prepared a preliminary program, conceptual drawings and conceptual floor design as pro bono work for the Arts organizations. The preliminary program indicates a need for an approximate 46,000 square foot, four story facility.

RESOLUTION NO.

Adopted by the Sacramento City Council

SUSPENDING COMPETITIVE BIDDING FOR ARCHITECTURAL SERVICES FOR THE STUDIOS FOR THE PERFORMING ARTS (SPA) PROJECT AS IN THE BEST INTERESTS OF THE CITY; 2) ACCEPTING THE ARCHITECTURAL SERVICES PROPOSAL FROM DREYFUSS AND BLACKFORD ARCHITECTS (D&B) FOR THE SPA PROJECT IN AN AMOUNT NOT TO EXCEED \$921,118; AND 3) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A SOLE-SOURCE PROFESSIONAL SERVICES AGREEMENT WITH D&B FOR ARCHITECTURAL SERVICES FOR THE SPA PROJECT IN AN AMOUNT NOT TO EXCEED \$921,118

BACKGROUND

- A. Four arts organizations, including The Sacramento Ballet, The Sacramento Opera Company, Sacramento Philharmonic Orchestra Association, and California Musical Theatre, approached the City of Sacramento to seek a partnership in a public-private project to provide rehearsal, office, and classroom space for the Arts organizations.
- B. This project will support performing arts within the region by providing a shared facility suitable for use by multiple arts groups. The project aligns with the City Council's strategic focus area of culture and entertainment.
- C. On October 11, 2005, City Council authorized the City Manager to identify projects for a 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. The Studios for the Performing Arts (SPA) Project was formerly known as the Arts Rehearsal Space Project and was included in the approved 2006 CRCIP bond issuance.
- D. Ancillary to the CRCIP process, on April 11, 2006, the City Council approved acquisition of the site at 725 14th Street and allocated \$2.9 million to purchase the property and demolish existing improvements. Escrow closed on May 1, 2006.
- E. Dreyfuss & Blackford Architects (D&B) has prepared a preliminary program, conceptual drawings and conceptual floor plan as pro bono work for the Arts organizations.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. It is in the best interests of the City to suspend competitive bidding for architectural services for the Studios for the Performing Arts Project and competitive bidding is hereby suspended; and

Section 2. The architectural services proposal from Dreyfuss & Blackford Architects for the Studios for the Performing Arts Project in an amount not to exceed \$921,118 is hereby accepted; and

Section 3. The City Manager or his designee is authorized to execute a sole-source professional services agreement with Dreyfuss & Blackford Architects in an amount not to exceed \$921,118 to provide architectural services for the Studios for the Performing Arts Project.

EXHIBIT A

Professional Services Agreement

