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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:**  
Meeting Date: January 23, 2017  
Department: City Manager's Office

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**ITEM TITLE:** Award Architectural Service Contract to HGE Inc. Architects, Engineers & Planners for the City Hall Remodel.

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**DISCUSSION/ISSUE:**

**Needs Assessment and Conceptual Design**

In late 2015 and early 2016, staff worked with hsr/Waterleaf to conduct a needs assessment of City Hall. During this assessment, the consultants met with the various departments of the City that operate out of City Hall. Through these meetings, they looked at our current space, our operational needs, and the increase in space needs as the population grows. We had them provide programming analysis on moving City Hall operations to a new location versus remodeling the current location.

In December 2015, the consultants presented their findings with the Management Team on the space needs of City Hall for current and future growth. It was their conclusion that the current site of City Hall was likely sufficient size and could meet the estimated staffing and space requirements for a population increase of double or more our current size.

The consultants were then tasked with providing conceptual analysis and designs on how the current facility could be modified to meet the needs of current and future operations. There were several key issues that the design concept needed to address to increase the functionality of City Hall. Those included:

- Improved customer service with a single/multi-purpose area for customer interactions.
- Improved safety and security for staff and visitors; reduction of building access points.
- Building accessibility and ADA requirements.
- Improved workspace flow for staff with internal connectivity.
- Improved internal and external meeting spaces.
- Centralized records retention system.
- Updated City Council Chambers with modern technologies.
- Coordination in updates and replacements of items that are currently on the list as maintenance items, i.e. carpeting, siding repair, doorways, etc.

The outcomes of the conceptual designs included a full remodel of the current City Hall with a small expansion to accommodate a new City Council Chambers. The remodel would include the main floor (7,812 square feet) and the basement (1,588 square feet). The building expansion

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would add the approximately 800 square feet to the west side of the building, resulting in a total usable space of 10,200 square feet.

One goal of the City Hall project is to tie into the ReVision Florence project and to provide an example for the community on incorporating many of the desires of the streetscape and beautification into our remodel. We will also bring these elements inside to address the desire from the community for a space to display art inside and public art elements on the exterior.

### **Budget and Timeline**

During the FY 2016-17 budget process, the Budget Committee and the City Council approved moving forward with the remodel and the project was included in the long-range financial forecast at \$1.9 million, adjusting the estimated cost in the area of contingency. The estimated cost of the City Hall remodel was \$1.955 million per the needs assessment analysis, compared to approximately \$7 million plus land acquisition for a new building. The breakdown of the \$1.955 million, which includes contingency, is as follows:

Construction (based on assessment)	\$ 1,545,000
Architecture & Engineering Services	150,000
<u>Soft Costs (permitting, moving, furnishings, etc.)</u>	<u>260,000</u>
<b>Total Preliminary Project Costs</b>	<b>\$ 1,955,000</b>

The timing for this remodel is very much dependent on the Public Works Operations Facility. As you are aware, we have 17 employees and contract employees working out of City Hall. This facility is also the hub for utilities, community development, committees, and other public contacts. In order to efficiently remodel City Hall, the building will need to be vacated during the approximately six months of construction. The original plan for relocating staff and the public was to move the Community Development operations to the new Public Works Facility, move the administration operations to the Justice Center, and utilize the Florence Events Center for City Council, Planning Commission, Committee, and other public meetings.

This will take coordination to make sure that the moves are done in conjunction with one another and that the spaces are ready when needed. The Public Works Operations Facility is currently being constructed with completion scheduled for the end of this fiscal year. Once completed, the Public Works staff and the Community Development staff will move into that facility. Administrative staff, including the City Manager's Office and the Finance Department, will need to relocate.

It has been discussed that the administration staff will move to the Round Room and that the space will be finished as it currently is an unfinished shell. The preliminary budget estimates

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determined by staff of approximately \$15,000 within the soft costs assumed simply finishing the walls and running telecommunications outlets for connectivity. Later in the staff report, we will discuss some alternatives as decision points for the City Council on the Justice Center.

### **Architectural Services**

On December 5, 2017, City Council accepted the architectural qualifications from HGE Inc. Architects, Engineers & Planners and authorized staff to negotiate a contract. Staff met with Joe Slack, Principal Architect with HGE on December 19, 2016 to discuss needs assessment for the City Hall remodel, finishing the Justice Center Round Room as part of the transition, preliminary concepts, and to develop a scope of services.

HGE submitted a proposal for professional design services in on January 4, 2017. Staff reviewed the proposal and requested some refinement and reduction of costs. HGE has submitted a revised proposal as outlined below.

The proposed scope of services includes the following:

- Research, including existing site assessments, jurisdictional requirements, process, code criteria and review of similar projects.
- Schematic Design, including site plan, floor plans, exterior elevations and interior/exterior renderings.
- Design Development, including site plan, floor plans, reflected ceiling plans, interior details, exterior elevations and details, building systems, draft specifications, and cost estimates.
- Construction Documents for bidding, permitting, and construction.
- Permitting assistance
- Bidding assistance
- Construction Administration assistance

The fee proposals include \$162,000 to perform the architectural services for the City Hall remodel and \$22,000 for the architectural services to finish the Justice Center Round Room. In addition, HGE has estimated that their reimbursable expenses (printing costs, plotting costs, shipping, travel, long distance communication and application fees paid on our behalf) to be a not to exceed amount of \$5,500.

The original proposal from HGE was for \$211,000. In reviewing the proposal, staff looked at the estimated construction costs of each project. We revised the construction cost budget for the Justice Center Round Room and removed some of the cost of the construction administration for that piece of the project, including bidding and contract negotiations, as pieces that the City could administer. The construction administration reduced that line item in the fee proposal; the

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architect would still be required to participate in that phase as the State Board requires such site observation work for the architect to assure compliance with documents).

In addition to alterations of the budget at the Justice Center, the architect removed the landscape design services of an estimated \$3,000 as part of the basic services to be provide. The City Council can choose to add this back in if they would like. With ReVision Florence, we will be coming in shortly after City Hall is completed with road construction, landscaping, and street scaping. Some of the landscaping will be incorporated into ReVision Florence and if added back in there would be coordination with the ReVision Florence design team.

<b>City Hall Remodel</b>		
Schematic Design Phase	\$	16,000
Design Development Phase		28,000
Construction Documents Phase		74,000
Bidding or Negotiation Phase		8,000
<u>Construction Phase</u>		<u>36,000</u>
<i>Subtotal for City Hall Remodel</i>	\$	162,000
<i>Reimbursable Expenses</i>		5,500
<i>Soft Costs (minus JC estimate - \$15k)</i>		245,000
<u><i>Estimated Construction Costs</i></u>		<u>1,545,000</u>
<b>City Hall Remodel Project Costs</b>	<b>\$</b>	<b>1,957,000</b>
<hr/>		
<u><i>Landscaping Design Alternate</i></u>	\$	<u>3,000</u>
<b>City Hall Remodel Project Costs</b>	<b>\$</b>	<b>1,960,000</b>

**Justice Center & City Hall Administration Considerations**

The Justice Center component of the project was originally thought of and estimated as a temporary space for administration staff during City Hall construction. As we progressed further into the project, the desired scope for the Justice Center Round Room has changed. In conversations with the Police Chief and the Commander, there is a need for more finished space.

The current operations of the Police Department utilize their training room for all staff meetings and trainings. Their current staffing fills the training room to near capacity. They utilize the Round Room for trainings that are more physical in nature and those that include people from other City departments or partner agencies. The Round Room is also utilized for the ARES/RACES radio group as overflow. This is a key component in our emergency management and preparedness. In addition to those functions, the room is also utilized to store records.

Rather than simply finishing the walls, we propose adding two to three office spaces, two ADA unisex restrooms, and a row of cabinets with a counter, as well as finishing the ceiling, walls, and floors. This will allow the City Hall operations to operate more efficiently while located there and it will leave the Police Department with more useable space after City Hall is completed and administration staff vacate. The offices will allow the radio group and records to be stored within the separated rooms that can be secured during trainings and other functions in that room, and will provide additional space for future needs of the Police Department staff. Having the

remainder of the room finished with access to internal restrooms will provide a better space for internal, multi-departmental, and multi-jurisdictional trainings and meetings.

As mentioned above, staff has reviewed the architectural proposal for the Justice Center remodel and has developed some alternatives for that facility and for the movement of staff. Those alternatives are outlined below.

**Alternative 1: HGE Architectural Services**

<b>Justice Center Remodel</b>	
Schematic Design Phase	\$ 1,500
Design Development Phase	2,000
Construction Documents Phase	12,000
Bidding or Negotiation Phase	1,500
Construction Phase	5,000
<i>Subtotal for Justice Center</i>	\$ 22,000
<i>Estimated Construction Costs</i>	150,000
<b>Justice Center Project Costs</b>	<b>\$ 177,000</b>

The RFQ for City Hall included a sub-project for finishing the 2,700 square-foot Round Room at the Justice Center. Staff has provided their best estimate for the costs to finish that room between \$100,000 and \$150,000 based on the architect’s feedback. Using the conservative estimate, this alternative would cost an estimated \$177,000.

The fee presented by the architect for this portion does not follow the fee percentage that the remodel does due to the smaller size. The fee is based on the cost to perform the service rather than a percentage of the project. As mentioned above, we reduced the cost of the construction administration due to the City being able to administer those pieces the City could administer. The architect would still be required to participate in that phase as the State Board requires such site observation work for the architect to assure compliance with documents).

**Alternative 2: Contractor Design Build**

The second alternative is to seek proposals from regional commercial contractors to perform a design build. Since the facility is already constructed and the room has the elements needed readily available, this would involve hiring a commercial contractor to construct the desired features with design done within their company. With the City having recently solicited bids from commercial contractors for the Public Works Operations Facility, we have a readily available list of qualified contractors to solicit bids from.

In addition to finishing the Round Room, there are other items that need to be taken care of at the Justice Center. As you are aware, this facility is twenty years old and with any facility there is required maintenance. Over the past few years we have upgraded the HVAC system, treated the exterior façade, and made other updates. There are two larger items that are scheduled to be completed over the coming year. The first is to install new smart thermostats as a follow up to the new HVAC. This will allow the HVAC to be more efficient throughout the facility. The second item is to replace the water heaters at the facility as they are also twenty years old.

If the City were to choose this alternative and select a commercial contractor to do a design build, we could include these two items to take advantage of the economies of scale and have the work done all at once. Public Works has estimated these two maintenance items to cost approximately \$25,000. If the City Council would like staff to move in this direction, we will reach out to the commercial contractors we have on file to request bids. We have already contacted 2G Construction, the Public Works contractor, and shown them to space to see if it was something they would be interesting in working on and they have indicated it is.

If we stay with the estimate of \$100,000 to \$150,000, we would conservatively estimate this work to be done for approximately \$175,000 including the maintenance items that we would add to the contract. Again, we would need to contact these companies for a better estimate.

**Alternative 3: City Administration at Spruce Street Facility**

The third alternative is to leave the Justice Center Round Room as is and move the administrative staff to the current Public Works Facility on Spruce Street. This would have a design and construction cost savings, but would still involve moving costs that were built into the project soft costs. This would allow us to use an existing space during construction. There may be some need to alter the space slightly to be able to process utility payments and ensure the safety of employees.

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**FISCAL IMPACT:**

**City Hall Remodel**

The fee proposal from HGE for City Hall is \$167,500 which includes a not to exceed amount of \$5,500 for reimbursable expenditures. Funding for architectural services in the amount of \$150,000 is included in the FY 2017 budget. The fee proposal fits within that budget with the understanding that some of the tasks to be performed will take place next fiscal year, including portions of the bidding/negotiation phase, reimbursable costs, and the construction administration for City Hall.

Architectural services for a remodel differ slightly from that of new construction due to the complexities of working within an existing structure. The proposed fee of approximately 10.4% for the City Hall remodel of the estimated project cost is in line with the industry average.

<b>City Hall Remodel</b>	
Schematic Design Phase	\$ 16,000
Design Development Phase	28,000
Construction Documents Phase	74,000
Bidding or Negotiation Phase	8,000
<u>Construction Phase</u>	<u>36,000</u>
<i>Subtotal for City Hall Remodel</i>	<i>\$ 162,000</i>
<i>Reimbursable Expenses</i>	<i>5,500</i>
<i>Soft Costs (minus JC estimate - \$15k)</i>	<i>245,000</i>
<u><i>Estimated Construction Costs</i></u>	<u><i>1,545,000</i></u>
<b>City Hall Remodel Project Costs</b>	<b>\$ 1,957,000</b>
<u><i>Landscaping Alternate</i></u>	<u><i>\$ 3,000</i></u>
<b>City Hall Remodel Project Costs</b>	<b>\$ 1,960,000</b>

## Justice Center & City Hall Administration

As outlined above, staff has developed three alternate options for the City Council to consider regarding the Justice Center Round Room and moving the administration staff. For consistency and comparison, I have included the maintenance items that were planned to be completed for the Justice Center in each alternative as those will still need to be taken care of.

Alternative 1: HGE Architectural Services – This includes utilizing the City Hall architect to design the Round Room space with a fee of \$22,000 and a total project estimated at about \$177,000.

City Hall Construction (based on assessment)	\$ 1,545,000
City Hall Architecture & Engineering Services	167,500
Justice Center Alternate 1	177,000
Justice Center Maintenance Items	25,000
<u>Soft Costs (permitting, moving, furnishings, etc.)</u>	<u>245,000</u>
<b>Total Preliminary Project Costs</b>	<b>\$ 2,159,500</b>

Alternative 2: Contractor Design Build – Staff would solicit bids from the qualified commercial contractors that bid on the Public Works facility to perform design and construction for the Round Room, as well as the scheduled Justice Center maintenance items. These items include new water heaters and HVAC thermostat controls. That conservative staff estimate is approximately \$175,000, but more precise bids would be solicited.

City Hall Construction (based on assessment)	\$ 1,545,000
City Hall Architecture & Engineering Services	167,500
Justice Center Alternate 2 (JC maint. Included)	175,000
<u>Soft Costs (permitting, moving, furnishings, etc.)</u>	<u>245,000</u>
<b>Total Preliminary Project Costs</b>	<b>\$ 2,132,500</b>

Alternative 3: City Administration at Spruce Street Facility – This alternative does not improve the Round Room, but moves the administrative staff to the Spruce Street facility once vacated by the Public Works staff. There will still be costs for moving that are accounted for under soft costs and there are some customer service items as well as safety and accessibility concerns.

City Hall Construction (based on assessment)	\$ 1,545,000
City Hall Architecture & Engineering Services	167,500
Spruce Street Alternate 3	<i>unknown</i>
Justice Center Maintenance Items	25,000
<u>Soft Costs (permitting, moving, furnishings, etc.)</u>	<u>245,000</u>
<b>Total Preliminary Project Costs</b>	<b>\$ 1,982,500</b>

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The City has included this project in the long-range financial plan at the estimated figures presented during the needs assessment. The City Council approved and budgeted \$150,000 for fiscal year 2016-17 for architectural services. As we move through the budget process for fiscal year 2017-18 and update the long-range financial plan we will incorporate the City Councils direction.

The City Hall remodel estimated costs of \$1,960,000 are within a reasonable amount of the long-range financial plan estimates. The decision point on the Justice Center will be included based on Council direction. If Council chooses alternates 1 or 2, we will be able to get better cost estimates to build into the budget as the plans are developed.

Financing for this project will be included in the fiscal year 2018 budget.

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**RELEVANCE TO ADOPTED COUNCIL GOALS:**

The development of architectural plans for the City Hall remodel meets the 2017 Council Goals of City Service Delivery and Financial and Organizational Sustainability.

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**ALTERNATIVES:**

City Hall:

1. Award contract to HGE for City Hall.
2. Request staff to continue to negotiate the scope of work and fee.
3. Reject the proposal and authorize staff to begin negotiations with a different firm.

Justice Center:

1. Award contract to HGE for Justice Center Round Room.
2. Authorize staff to seek bids for a qualified commercial contractor to perform a design build of the Justice Center Round Room.
3. Do not improve the Round Room at the Justice Center and house administrative staff at Spruce Street facility during construction.

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**RECOMMENDATION:**

Staff recommends that the City Council accept the proposed scope of services and fee for City Hall from HGE Inc. Architects, Engineers & Planners in the amount of \$167,500 and authorize the City Manager to enter into a contract.

Staff recommends that the City Council authorize the City Manager to pursue Alternative 2 for the Justice Center Round Room and request bids from qualified commercial contractors for a design build of the Round Room, including the water heater and thermostat maintenance items.

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**AIS PREPARED BY:** Megan Messmer, City Project Manager

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**CITY MANAGER'S  
RECOMMENDATION:**

Approve  
Comments:

Disapprove

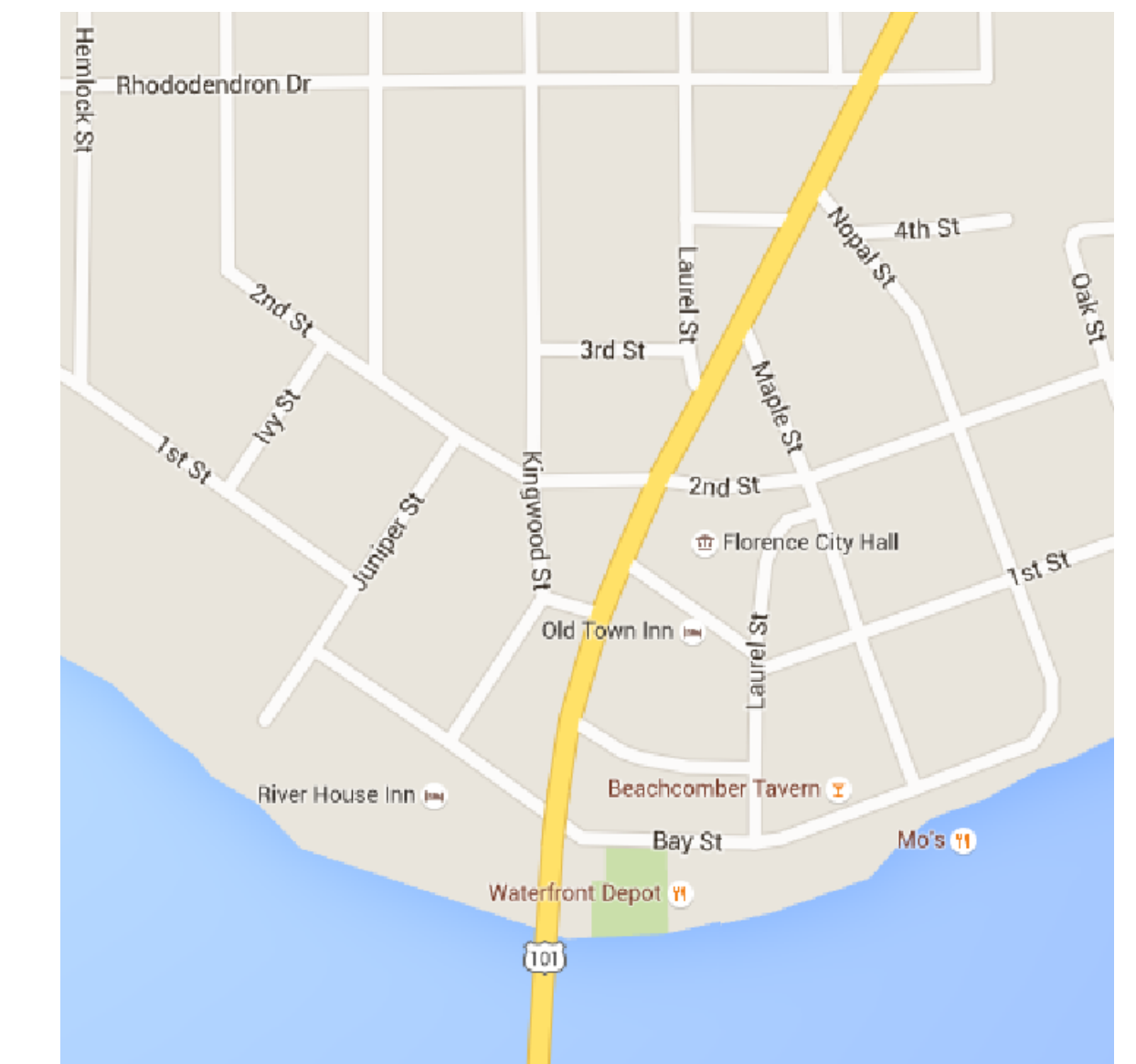
Other

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**ITEMS ATTACHED:**

Attachment – City Hall Conceptual Vicinity and Floor Plan Designs

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# City of Florence City Hall Preliminary

250 US-101  
 Florence, OR 97439  
 Schematic Design Set  
 04/12/2016

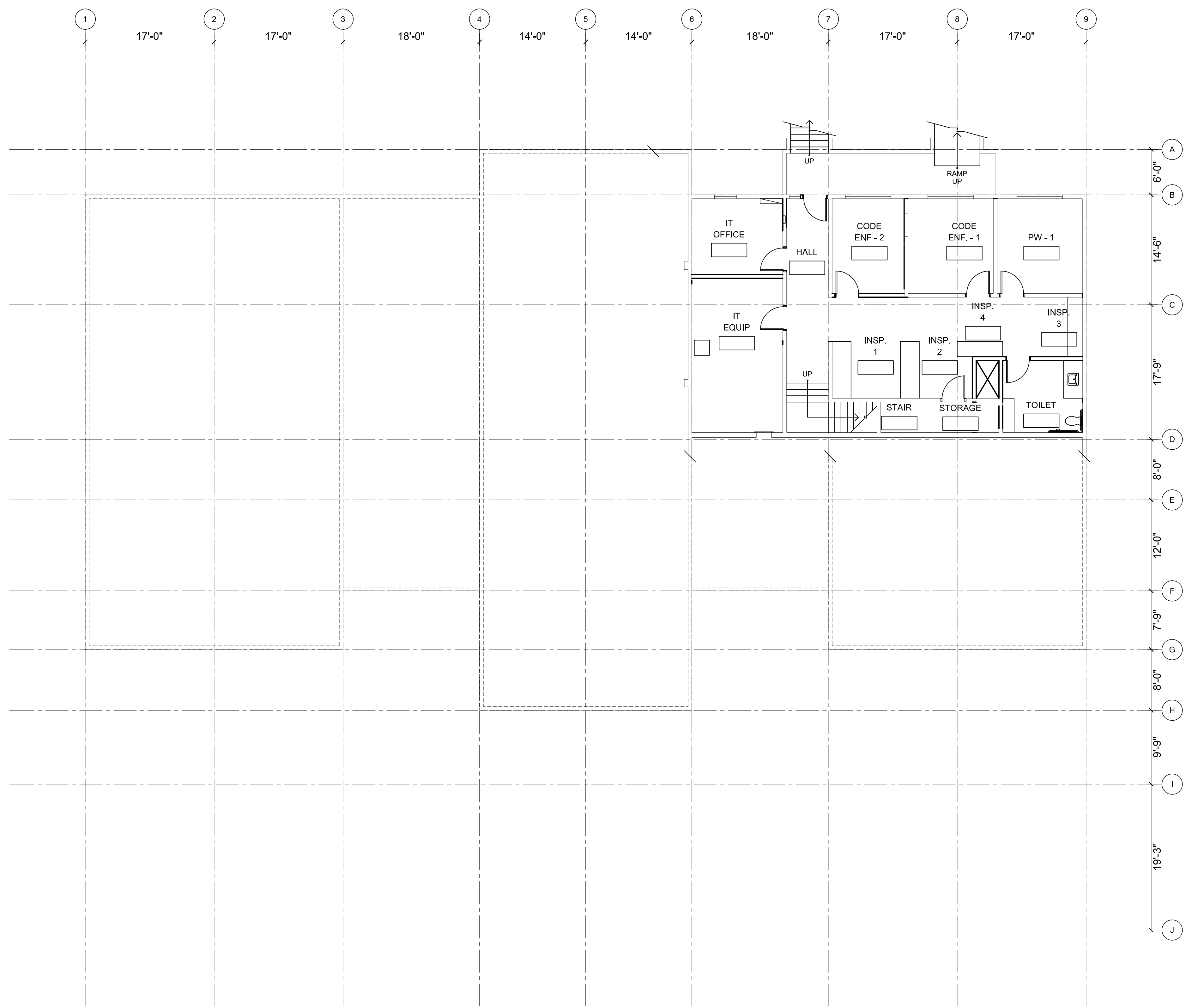
**hsr** master planning  
 architecture  
 interiors

**Bend**  
 838 NW Bond St. Suite B tel 541.389.3904  
 Bend, OR 97701 fax 541.383.0725

**waterleaf**  
 419 SW 11th Ave  
 Suite 200  
 Portland OR 97205  
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 Fx 503 273 8891

architecture, interiors & planning





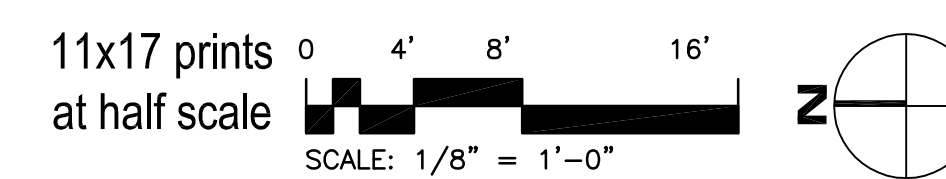
florence, or - city hall preliminary

basement floor plan

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04/12/2016

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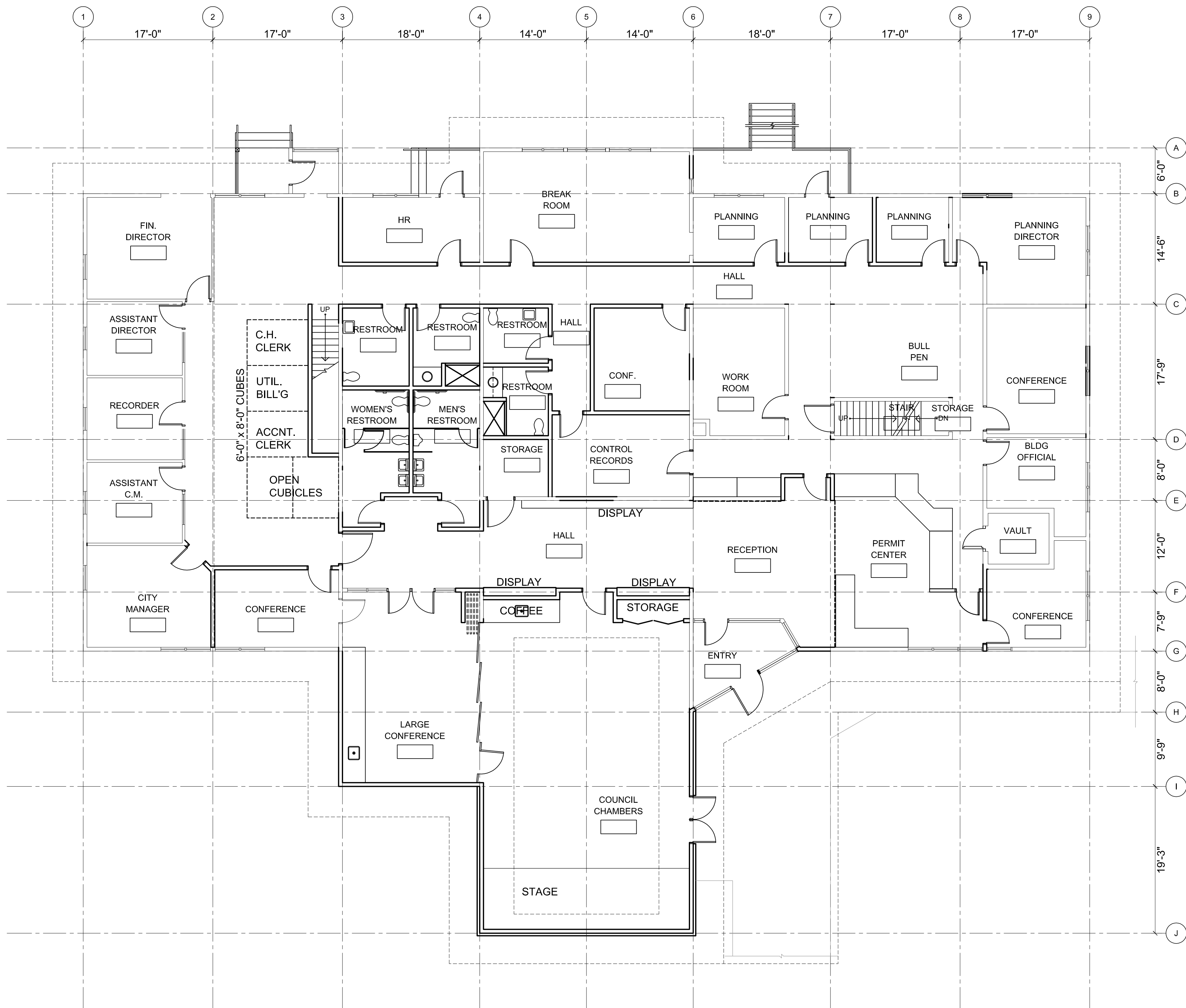
**hsr** master planning  
architecture  
interiors

**waterleaf**

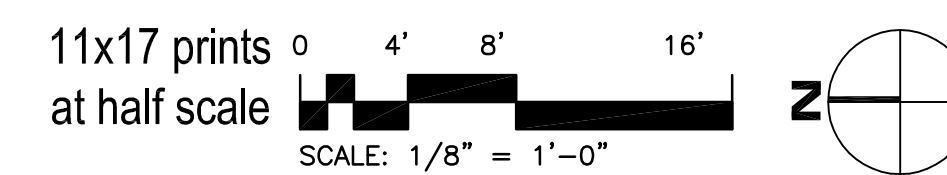
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 04/12/2016  
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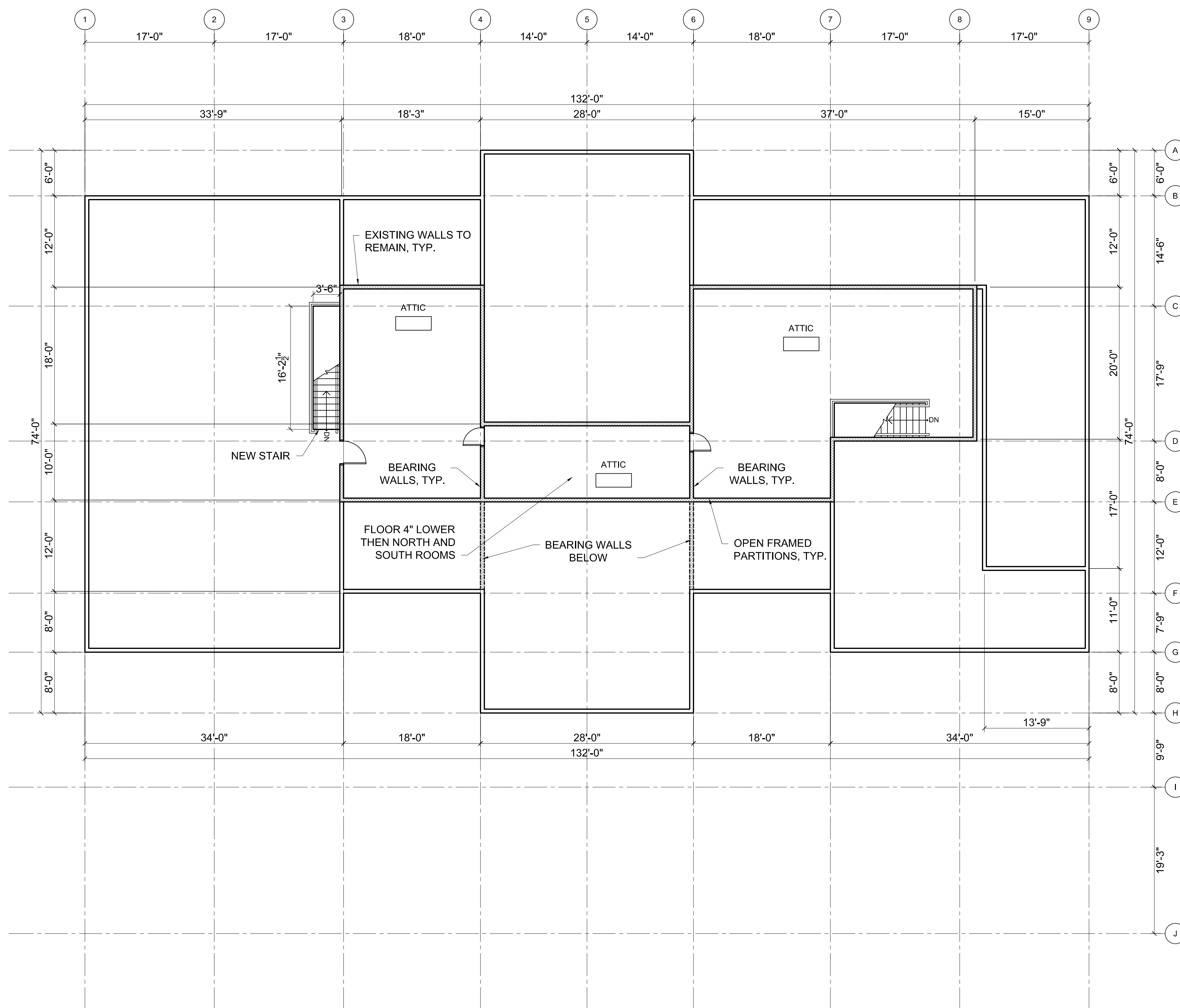


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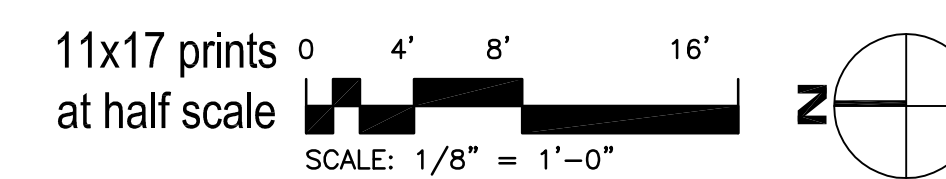
florence, or - city hall preliminary

attic floor plan

1512.00

04/12/2016

scale: 1/8"=1'-0"



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