

EXECUTIVE SUMMARY

**Rescind the First Amendment to the
Professional Services Agreement
for Open End Services
Architectural Services
Song & Associates, Inc.**

GENERAL OVERVIEW:

Type of Contract:	Professional Services Agreement for Open End Services
Architect:	Song & Associates, Inc.
Engineer:	Not Applicable
Notice to Proceed Date:	Not Applicable
Bid Amount (Original Contract Amount):	Not Applicable
GENERAL OVERVIEW:	<p>This item is being rescinded, as the Office of Facilities & Construction (OF&C) intends to release a new Request for Qualifications (RFQ) to procure Architectural/Engineering (A/E) Services. The previous amendment to this agreement (initially awarded on November 7, 2012) included recommendations by McGladrey, the Office of the Chief Auditor (OCA), General Counsel, and Becker & Poliakoff (cadre attorney).</p> <p>One of the recommendations by McGladrey included removal of the fee cap for principals and other employees of the A/E consulting firms, and instead, basing the fee on actual rates, with a negotiated overhead and profit. However, upon negotiations of the new fee, it became apparent that the new rates would exceed the previously capped fees. As a result, it was recommended by the OCA that a new RFQ be issued, rather than negotiate existing contracts. It is important to note that the existing contracts included a cap of \$100.00 per hour for the A/E Principal regardless of the multipliers the contract allowed for. Based upon research of trends and market, it was determined that the cap of \$100.00 per hour was arbitrary and has no bearing on market conditions, and does not represent a true market rate for architectural services. The recommendation by McGladrey to remove the cap was done so as to present and allow for the actual billing rates of the team members to be reflected in the fee proposals. OF&C shall abide by this recommendation when negotiating under any new procurement for A/E Services to be able to capture all actual rates.</p> <p>It is the intent of the OF&C to put forth a new RFQ for Architectural and Engineering services in the near future. The RFQ will reflect changes to the contract template language as recommended by McGladrey, LLC, as well as any new revisions recommended by URS, the Program Manager working with OF&C, and reviewed and accepted by McGladrey, OCA, and General Counsel Departments, and approved by the Board.</p> <p>OF&C anticipates this process to be performed within six months, after which the new RFQ will be released. By rescinding the First Amendment, the OF&C can continue to utilize the services of Song & Associates, Inc. under the original agreement.</p>

Typed by: M. Aviles/Date: 5-1-14

Written by: Shelley Meloni/5-1-14

Approved by: Shelley Meloni Date: 5/9/14