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## OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM

TO: All Council Members  
FROM: Lauren M. Smelkinson, County Auditor  
DATE: January 28, 2014  
SUBJECT: Addendum to Council Meeting Notes

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Please find attached an addendum (FM-2) to the Council Meeting Notes issued January 23, 2014.

This item will be discussed at the January 28, 2014 work session for the February 3, 2014 Council meeting.

Attachment

cc: notes distribution list

FM-2 (Contract Addendum)

Council District(s) All


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**Office of Budget and Finance**


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**On-Call Architectural Services**


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The Administration is requesting a third addendum to a contract with Rubeling and Associates, Inc. to provide additional on-call architectural services. The addendum provides that the contract, which commenced October 3, 2006, will remain in effect until the contractor fully completes nine open projects throughout the County. The addendum also increases the maximum compensation by \$1 million, from \$7 million to \$8 million, over the entire term of the contract.

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**Fiscal Summary**

| <b>Funding Source</b>        | <b>Contract Addendum</b> | <b>Current Maximum Compensation</b> | <b>Amended Maximum Compensation</b> |
|------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <b>County</b> <sup>(1)</sup> | \$ 1,000,000             | \$ 7,000,000                        | \$ 8,000,000                        |
| <b>State</b>                 | --                       | --                                  | --                                  |
| <b>Federal</b>               | --                       | --                                  | --                                  |
| <b>Other</b>                 | --                       | --                                  | --                                  |
| <b>Total</b>                 | <u>\$ 1,000,000</u>      | <u>\$ 7,000,000</u>                 | <u>\$ 8,000,000</u> <sup>(2)</sup>  |

<sup>(1)</sup> Capital Projects Fund.

<sup>(2)</sup> Maximum compensation for the entire term of the contract.

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**Analysis**

The contractor will provide additional on-call architectural services for nine current open projects throughout Baltimore County. Services include providing consultation reports, feasibility studies, sketches, renderings, schematic design, contract documents, cost estimates, construction administration, and other assistance.

This third addendum is necessary to provide additional time and funding to enable completion of the following projects throughout the County: Courts Building 1<sup>st</sup> and Mezzanine Floors Renovations; Westside Homeless Shelter; Negro Baseball League Museum at Metro Centre Owings Mills; North Point Precinct Relocation; Sollers Point Multipurpose Center Phase II Site; new Animal Services facility; Towson Fire Station Replacement; Public Safety Building Space Reconfiguration; and Patriot Plaza Fountain Removal.

On October 3, 2006, the Council approved the original 4-year agreement totaling \$2 million. On March 16, 2009, the Council approved the first addendum, which increased the maximum compensation of the contract by \$3 million to \$5 million and added two automatic 1-year renewal periods, extending the term through October 2, 2012. On September 7, 2010, the Council approved the second addendum, which increased the maximum compensation of the contract by \$2 million to \$7 million and added two automatic 1-year renewal periods, extending the term through October 2, 2014. The proposed third addendum increases the maximum compensation of the contract by \$1 million to \$8 million, and extends the term through the date upon which the contractor has fully completed all nine of the individual projects listed above, unless the County provides notice of non-renewal. The addendum also incorporates the contractor's supplemental proposal for the additional work and revised MBE/WBE forms and insurance certificates into the contract. All other terms and conditions remain the same.

The Office advised that as of January 6, 2014, expenditures and encumbrances for this contract totaled \$6,627,604.

Services will be performed at the architect's cost plus profit. Profit is limited to 10% of the combined total of direct labor costs plus overhead and payroll burden. Hourly rates and percentages for overhead, payroll burden, and profit are within established County limits. The additional funding for this contract will not be encumbered at this time. Rather, contract costs will be charged to specific project tasks as needed. The County may terminate the agreement by providing 30 days prior written notice.

The contractor was selected by the Professional Services Selection Committee (PSSC) on April 7, 2006 from 23 responsive contractors based on experience and qualifications.

The Office advised that two other contractors are providing similar on-call architectural services as follows:

| Contractor                       | Council Approval Date | Contract Total      | Expenditures/<br>Encumbrances<br>as of<br>January 6,<br>2014 | Balance            | Contract Expiration Date |
|----------------------------------|-----------------------|---------------------|--|--------------------|--------------------------|
| Sanders Designs                  | 10/3/2006             | \$ 2,000,000        |  |                    |                          |
|                                  | 7/7/2008              | 2,000,000           | \$ 3,176,016   | \$ 823,984         | 10/2/2014                |
| Hord-Coplan-Macht <sup>(1)</sup> | 1/22/2008             | 1,999,931           |  |                    |                          |
|                                  | 11/16/2009            | 2,000,000           | 2,133,420  | 1,866,511          | 1/21/2015                |
|                                  |                       | <u>\$ 7,999,931</u> | <u>\$ 5,309,436</u>  | <u>\$2,690,495</u> |                          |

<sup>(1)</sup> A contract addendum for \$2 million will be presented for Council approval at the February 18, 2014 Council meeting.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”