



PUBLIC WORKS DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3354 • FAX: (408) 777-3333
CUPERTINO.ORG

CITY COUNCIL STAFF REPORT

Meeting: September 16, 2025

Subject

Award of a design professional services agreement to DIALOG Design LP for the City Hall Annex Improvements project (420-99-248) for the renovation of an existing building located at 10455 Torre Avenue for a total not-to-exceed amount of \$493,243.

Recommended Action

1. Award a design professional services agreement to DIALOG Design LP for the City Hall Annex Project for basic services in the amount not to exceed \$448,243; and
2. Authorize the City Manager to execute a Design Professional Services Agreement with DIALOG Design LP when all conditions have been met; and
3. Authorize the Director of Public Works to execute any necessary additional services, up to a contingency amount of \$45,000 (approximately 10% of base services,) for a total not to exceed amount of \$493,243.

Background

In March 2021, the City purchased the property at 10455 Torre Avenue for \$4,450,000, to provide a customer-serving facility during a City Hall renovation or reconstruction project and to facilitate future programmatic needs.

This City Hall Annex Improvements project ("project") was funded in the Fiscal Year (FY) 2021-22 Capital Improvement Program (CIP) budget for \$3 million. The project description is to "program, plan and build facility improvements to facilitate short-term and long-term use[s] of this facility. The scope of work will include programming, planning, design and construction."

This project will renovate the existing interior of the building located at 10455 Torre Avenue into a flexible space, with an open floor plan layout for use as a customer-facing facility for services currently provided from City Hall. Currently, the approximately 5,730 square foot (SF) building is a professional service office which is anticipated to be fully renovated. The building was constructed in 1977 and is a single-story wood frame, stucco exterior office facility. Exterior improvements will be limited to those required by the building code and Title 24 energy code requirements, such as providing an

accessible path of travel and window assemblies with improved energy performance. Landscaping will be evaluated for appropriate planting and irrigation upgrades.

At the June 7, 2022, City Council meeting, the agreement with DIALOG Design LP (Dialog) was approved for a total appropriation of \$508,502. Programming and design for the renovation of the facility was initiated immediately.

On October 18, 2022, City Council received an update on the project, and approved the following:

- (1) Amend the project scope to include programming, design, and construction of the building as the City's Permit Center and Emergency Operations Center (EOC);
- (2) Approve an amendment to the Dialog agreement, bringing the total appropriations for that contract to \$610,202; and
- (3) Authorize the execution of a design professional services agreement with Cumming Management Group, Inc. (Cumming) for project management and construction management services.

The project was put on hold in July 2023 when cost estimates showed construction would exceed \$7 million, and efforts to reduce costs were unproductive. Proceeding with the renovation project at that scale was not cost-effective while the City Hall renovation/replacement project scope was under discussion. The contract with Dialog expired, having expended approximately \$286,144 of the total \$610,202 compensation allowed.

On April 2, 2025, Council directed staff to re-initiate this project during the discussion of the FY25-26 CIP proposed projects, acknowledging the significantly increased construction cost. It was agreed that the project would continue in design phase using the currently allocated project funding, and a budget modification for any additional design, project management or construction costs would be pursued after construction bids were received.

Reasons for Recommendation and Available Options

In accordance with CMC 3.22.060 C, a formal competitive solicitation is required for contracts over \$220,000. In 2022, a competitive solicitation process occurred for the professional design services contract awarded to Dialog. As a continuation of the previously approved design professional services, it is determined that Dialog is the most qualified firm to continue the work, since the prior knowledge and qualifications for the work are significant contributors to the success of the project. Thus, the City's Purchasing mManager and Director of Public Works determined that an exemption to the competitive solicitation process is appropriate in this case.

Dialog submitted a scope and fee proposal for consideration. After negotiations, the proposal was reduced to \$448,243 total compensation for base services. The draft agreement with Dialog is included as Attachment A. Some notes on the services:

- An additional consultant was added to the Dialog scope. Previously, the Systems Integrator (AV/IT/Security) was planned to be directly contracted by the City. It is a more efficient relationship to include this scope/contract into the overall design team, led by Dialog. This added approximately \$120,000 to the overall cost of the Dialog agreement.
- Remobilizing the design team and re-reviewing the project documents requires an additional fee of approximately \$46,000. The design team consists of Dialog and 5 consultants: structural engineers (KPFF), landscape architects (Dillingham & Associates), mechanical and plumbing engineers (Litzenberger), electrical engineers (WKM), and the systems integrator (Interface).
- After those two additional costs are removed from calculation, the fee proposal is approximately \$38,000 greater than the funds that remained on the 2023 agreement, representing a reasonable 15% increase.

Sustainability Impact

Project design and construction will be required to meet current Title 24 energy requirements and the City's sustainability goals.

Fiscal Impact

The Fiscal Year (FY) 2021-22 Capital Improvement Project (CIP) budget for the City Hall Annex Improvements (10455 Torre) Project is included in budget unit 420-99-248. City Council approved a fund of \$3 million for the design and construction of this project. If this contract is awarded, the unencumbered funds would be approximately \$1.73 million. Approved funds are adequate to cover the cost of this contract and no budget adjustment is required at this time.

//

//

//

//

//

//

//

Fiscal Summary

Current Funding Status (Budget)	Amount
City Approved Funds FY22	\$3,000,000
City Approved Funds 3 rd Quarter, FY22	\$25,000
	\$3,025,000

Current Expenditures/Encumbrances	Amount
2022-23 Dialog agreement	(\$286,144)
2022-23 Cumming agreement (\$84,396.35 spent to date, total contract amount is indicated because the contract is active)	(\$431,766)
2022-23 other expenses (geotechnical survey, as-built drawings, PG&E, etc.)	(\$85,492)
FY25-26 Dialog contract (includes contingency) *Tonight's action	(\$493,243)
Subtotal:	(\$1,296,645)

Current Funding Status (Budget)	Amount
Approved project funding	\$3,025,000
Expenditures	(\$1,296,645)
Project funds remaining:	\$1,728,355

City Work Program (CWP) Item/Description

City Hall Retrofit and City Hall Annex Renovation including the EOC/ Implement the previously approved 2022 Council plan with EOC migration.

Council Goal:

Quality of Life

California Environmental Quality Act

This project is exempt from the California Environmental Quality Act (CEQA) under 14 C.C.R. Section 15301 (minor alteration of existing facilities will not revise or expand the existing office use of the property or footprint of the existing structure.)

Prepared by: Susan Michael, CIP Manager

Reviewed by: Chad Mosley, Director of Public Works

Approved for Submission by: Tina Kapoor, Interim City Manager

Attachments:

A – Draft Agreement-Dialog