



Midpeninsula Regional  
Open Space District

R-18-41  
Meeting 18-15  
April 25, 2018

## AGENDA ITEM 5

### AGENDA ITEM

Contract Amendment for Design Services with Mills Design

### ACTING GENERAL MANAGER'S RECOMMENDATION

Authorize the Acting General Manager to amend an on-call design services contract with Mills Design for an additional \$50,001 for a not-to-exceed total of \$100,000.

### SUMMARY

Midpeninsula Regional Open Space District (Midpen) utilizes design services to produce a wide variety of collateral materials, including the Views quarterly newsletter, financial reports, brochures, maps, postcards, and fact sheets. In an effort to maximize flexibility, efficiency, guarantee competitive pricing, and create opportunities for multiple firms to provide design services, Public Affairs staff issued a Request for Qualifications and Proposals (RFQP) in June 2016. In July 2016, Midpen entered into three on-call contracts under the General Manager's authority, including one with Mills Design. A recent April 2018 audit of these design contracts revealed that payments made to Mills Design exceeded the General Manager's authority. The Acting General Manager and staff immediately moved to add a recommended contract amendment to the next available Board Meeting, hence the genesis of this Agenda Item.

The Acting General Manager recommends awarding Mills Design a contract amendment for an additional \$50,001, for a not-to-exceed total of \$100,000. This amount covers services previously rendered from July 2016 to the present, as well as the Spring 2018 Open Space Views Newsletter, which goes out to print by May 4, 2018, and the design layout for the Fiscal Year 2018-19 Budget and Action Plan Report, which will be made available to the Board and public in July 2018.

### BACKGROUND

Section IV of the Board of Directors' (Board) *Public Contract Bidding, Vendor, and Professional Consultant Selection, and Purchasing Policy* allows Midpen to award on-call contracts on open purchase orders with vendors who supply routine services, supplies, materials, or labor to Midpen on a regular basis throughout the fiscal year. Such contracts can be extended for up to four years to secure pricing and/or assure continuity of service so long as the vendor is meeting Midpen needs and contract pricing remains competitive.

On June 22, 2016, in compliance with this policy, the Public Affairs Department issued an RFQP for on-call design services for a period of one year, with the opportunity to extend for an

additional two years, for a total not-to-exceed three years. Midpen received nine proposals. Three firms (including Mills Design) were determined to be the best fit for Midpen and were contracted under the General Manager's authority.

## **DISCUSSION**

An audit of Midpen design contracts conducted in early April 2018 revealed that payments made to Mills Design exceeded the General Manager's authority. The overage was due to the commissioning of design services to lay out several new products, including: financial reports during Fiscal Year 2016-17 (i.e. Action Plan & Budget Book and Measure AA Bond Accountability Report), as well as collateral material related to the expansion of public access at two new Preserve areas (Mount Umunhum and Lower La Honda Creek). To commission this work, staff entered into two new contracts under \$25,000 each with Mills Design. Although this work involved new design projects, staff incorrectly issued the contracts as general on-call services contracts (as done in 2016), rather than as contracts with specific scopes of work. As a result, the sum of the contracts exceeded the General Manager's authority. In response to this issue, Public Affairs staff have been retrained on the contracting process and policies. This same retraining will be provided for other departments. Moreover, Finance and Procurement are evaluating potential protocols that can be put in place as part of the contracting approval process to alert staff of a potential issue before a contract is fully executed. Finally, an audit of all Midpen on-call contracts is currently underway to confirm that no other similar issue exists with other on-call contracts.

Staff will issue a new RFQP to solicit design services to address upcoming Midpen needs in May 2018. Recommended new contracts identified through this solicitation process will be brought to the Board for approval in summer 2018.

## **FISCAL IMPACT**

There are sufficient funds in the approved FY2017-18 budget to cover the recommended contract amendment and the anticipated costs of design services through June 30.

## **BOARD COMMITTEE REVIEW**

No Board Committee previously reviewed this item.

## **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act.

## **NEXT STEPS**

Pending Board approval, the Acting General Manager will direct staff to amend the contract with Mills Design for an additional \$50,001 for a not-to-exceed total of \$100,000 through end of FY 2017-18.

A Request for Proposals and Qualifications for Design Services will be issued in May 2018.

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