



Office of the City Manager

CONSENT CALENDAR  
June 30, 2026

To: Honorable Mayor and Members of the City Council  
 From: Paul Buddenhagen, City Manager  
 Submitted by: Scott Ferris, Director, Parks, Recreation & Waterfront  
 Subject: Contract No. 32300127 Amendment: AE3 Partners, Inc. for Architectural Services

RECOMMENDATION

Adopt a resolution authorizing the City Manager to amend Contract No. 32300127 with AE3 Partners, Inc. for Architectural Services for the African American Holistic Resource Center project, increasing the amount by \$700,000 for an amended total amount not to exceed \$1,600,000 and extend the contract term from December 31, 2027 to June 30, 2029.

FISCAL IMPACTS OF RECOMMENDATION

Funding for this contract amendment is available in the FY 2026 budget in the Measure T1 Fund (Fund 511). No other funding is required, and no other projects will be delayed due to this expenditure.

CURRENT SITUATION AND ITS EFFECTS

The contract with AE3 Partners, Inc. for the African American Holistic Resource Center (AAHRC) project was approved on July 26, 2022, for an amount not to exceed \$900,000, based on renovation of an existing facility of 4,000 sf. In 2023, based on engineering assessments of the building and site (structural and geotechnical) which found significant structural problems, City staff recommended that this building be replaced, and City Council authorized the replacement of the building, leaving only the size of the building to be determined. On June 13, 2023 City Council authorized City staff to move forward with the design of a 6,000 sf facility.

The project completed conceptual design in 2024 and received Zoning approval and a Use Permit in December 2025. During this time, several industry-wide changes directly affected project costs and consultant availability. The architecture, engineering, and specialty consulting markets have experienced significant inflationary cost escalation since 2022. Several originally contracted subconsultants have also merged, closed or discontinued their services, requiring AE3 Partners to procure replacement firms at higher rates for service. The current not-to-exceed contract amount is projected to be depleted by August 2026.

Consultant fees were not adjusted yet for these changes in scope and conditions. The City has negotiated the necessary contract amendment with AE3 Partners, Inc. for the new 6,000 sf facility. The cost impacts were unforeseen and not included in the original contract scope. However, these adjustments are required to continue design work and advance the project to completion, preserves the project schedule, and supports the City's commitment to delivering this community-serving facility.

Effective January 1, 2026, local agencies are required to satisfy noticing requirements for certain contracts for services that meet the criteria outlined in California Government Code Section 3504.1 as amended by AB 339. This project does not meet the criteria in Government Code Section 3504.1 and is exempt from the noticing requirement.

### BACKGROUND

On December 15, 2020, the Berkeley City Council approved \$7 million in revenue from Measure T1 for the creation of an African American Holistic Resource Center in South Berkeley.

A Request for Qualifications (RFQ) was issued on April 14, 2022, seeking qualified firms or individuals to provide architectural services for the AAHRC. On May 17, 2022, the City received four proposals from professional consultant firms. On June 3, a panel of 1 City staff, 1 consultant project manager, and 3 AAHRC Steering Committee members reviewed, evaluated, and ranked the 4 proposals according to the criteria in the RFQ. This panel referred the two highest-ranking proposals to the City Manager, who received presentations from both firms. After these presentations, AE3 Partners, Inc. was identified as the highest-rated proposal. On July 26, 2022, the City Council of the City of Berkeley authorized the City Manager to approve a contract with AE3 Partners, Inc. in an amount not to exceed \$900,000.

On June 13, 2023, the Berkeley City Council approved an additional \$6.85 million in Measure T1 funds for the 6,000 sf facility. On July 14, 2025, the City Manager authorized the extension of the contract from July 31, 2025 to December 31, 2027.

### ENVIRONMENTAL SUSTAINABILITY

There are no anticipated negative environmental effects of this action. The execution of this contract will help ensure the successful completion of the AAHRC project that will incorporate the sourcing of sustainable and renewable resources used in construction projects, as well as compliance with all regulatory agency requirements. The new building will incorporate modern energy and water efficient design and technology, promote environmental sustainability, and meets the Strategic Plan Goal to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.

### RATIONALE FOR RECOMMENDATION

The recommended contract amendment is necessary to ensure the African American Holistic Resource Center project can advance through final design and into the building permit review phase and construction. The project has already secured its Use Permit and is completing Design Development, with final design anticipated in Fall 2026. To

maintain this schedule, the design team must be fully mobilized and supported under an updated scope and budget.

ALTERNATIVE ACTIONS CONSIDERED

None

CONTACT PERSON

Scott Ferris, Director, Parks, Recreation & Waterfront, 981-6700  
Evelyn Chan, Supervising Civil Engineer, PRW, 981-6430  
Canhui Li, Associate Civil Engineer, PRW, 981-6432

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 32300127 AMENDMENT: AE3 PARTNERS, INC. FOR  
ARCHITECTURAL SERVICES

WHEREAS, on July 26, 2022, by Resolution No. 70,480-N.S., the City Council authorized Contract No.32300127 with AE3 Partners, Inc. in an amount not to exceed \$900,000 for the African American Holistic Resource Center project; and

WHEREAS, on June 13, 2023, City Council provided direction to move forward with a 6000 sf facility; and

WHEREAS, on July 14, 2025, the City Manager authorized the extension of the contract from July 31, 2025 to December 31, 2027; and

WHEREAS, the current contract not-to-exceed amount is projected to be depleted by August 2026, and the City has need of AE3 Partner's continued consultant services through June 30, 2029; and

WHEREAS, this contract is exempt from the noticing requirements set forth in Government Code Section 3504.1. as amended by AB 339; and

WHEREAS, funding is available in the FY 2026 budget in the Measure T1 Fund (Fund 511).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to the contract with AE3 Partners, Inc. for architectural services for the African American Holistic Resource Center project, increasing the contract amount by \$700,000 for a total amended amount not to exceed \$1,600,000 and extending the contract to June 30, 2029.