

STAFF REPORT



ITEM NO. 12
CITY OF OCEANSIDE

DATE: March 14, 2012

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT IN AN AMOUNT NOT TO EXCEED \$54,250 WITH SANCON ENGINEERING TO REHABILITATE A 14-INCH STEEL AIR PIPE AT THE LA SALINA WASTEWATER TREATMENT PLANT**

SYNOPSIS

Staff recommends that the City Council approve a professional services agreement in an amount not to exceed \$54,250 with Sancon Engineering, Inc. of Huntington Beach for rehabilitation of a 14-inch steel air pipe at the La Salina Wastewater Treatment Plant located at 1330 S. Tait Street and authorize the City Manager to execute the agreement.

BACKGROUND

A steel 14-inch plant air supply line at the La Salina Wastewater Treatment Plant has a leak. The line supplies air to both the north and south aeration tanks and is causing the blowers to run harder and less efficient due to the leaks in the line. Staff recommends the 14-inch line be slip lined as a rehabilitation measure.

ANALYSIS

Water Utilities staff is requesting that Sancon Engineering be considered as a sole source for this work due to an existing slip lining contract. Staff estimates that the repair will take approximately three weeks to complete.

FISCAL IMPACT

The FY 11-12 adopted budget for the La Salina Wastewater Treatment Plant Upgrades (909122700722.5305.10400) has an available balance of \$125,000. Therefore, sufficient funds are available for the project.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will be provided a project update at its next regularly scheduled meeting on March 20, 2012.

RECOMMENDATIONS

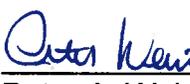
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PREPARED BY:



Jason Dafforn
Project Manager

SUBMITTED BY:



Peter A. Weiss
City Manager

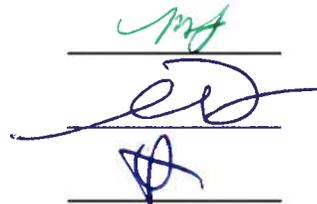
REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Cari Dale, Utilities Director

Teri Ferro, Financial Services Director

Exhibit A: Professional Services Agreement



CITY OF OCEANSIDE

PROFESSIONAL CONTRACTOR SERVICES AGREEMENT

**PROJECT: LA SALINA WASTEWATER TREATMENT PLANT
REHABILITATION OF 14" STEEL AIR LINE TO NORTH
AERATION TANK - 909122700722**

THIS AGREEMENT, dated _____, 2012 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and SANCON ENGINEERING, INC., hereinafter designated as "CONTRACTOR."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The CONTRACTOR desires to perform the La Salina Wastewater Treatment Plant Rehabilitation of 14" Steel Air Line to North Aeration Tank project is more particularly described in the CONTRACTOR'S proposal dated December 8, 2011, attached hereto and incorporated herein as Exhibit A.
2. **INDEPENDENT CONTRACTOR.** CONTRACTOR'S relationship to the CITY shall be that of an independent contractor. CONTRACTOR shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONTRACTOR shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONTRACTOR shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONTRACTOR hereby certifies that the CONTRACTOR is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONTRACTOR will comply with such provisions, and provide certification of such compliance as a part of this Agreement.
4. **LIABILITY INSURANCE.**
 - 4.1. CONTRACTOR shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONTRACTOR, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

**LA SALINA WASTEWATER TREATMENT
PLANT REHABILITATION OF 14" STEEL
AIR LINE TO NORTH AERATION TANK - 909122700722**

4.2 CONTRACTOR shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance
(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
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*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONTRACTOR under this Agreement.

- 4.3** If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONTRACTOR to restore the required limits. The CONTRACTOR shall also notify the CITY promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONTRACTOR resulting from any of the CONTRACTOR'S work.
- 4.4** All insurance companies affording coverage to the CONTRACTOR for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.
- 4.5** All insurance companies affording coverage to the CONTRACTOR pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.6** CONTRACTOR shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. For the

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purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

- 4.7 CONTRACTOR shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONTRACTOR shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONTRACTOR to provide such a substitution and extend the policy expiration date shall be considered a default by CONTRACTOR and may subject the CONTRACTOR to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONTRACTOR as specified in this Agreement shall in no way be interpreted as relieving the CONTRACTOR of any responsibility whatsoever and the CONTRACTOR may carry, at its own expense, such additional insurance as it deems necessary.
5. **CONTRACT BONDS (for contracts exceeding \$25,000).** If the total contract price specified in Section 7 of this Agreement exceeds \$25,000, or if any amendment to this Agreement causes the total contract price to exceed \$25,000, before entering upon the performance of work, CONTRACTOR shall provide two good and sufficient bonds in the amounts listed below:
- Performance Bond in a sum not less than one hundred percent (100%) of the total contract price, to guarantee faithful and timely performance of all work, in a manner satisfactory to the CITY, and further to guarantee that all materials and workmanship will be free from original or developed defects
 - Payment Bond that meets the requirements of California Civil Code section 3248, in a sum not less than one hundred percent (100%) of the total contract price, to satisfy claims of material suppliers, mechanics and laborers employed by CONTRACTOR on the work that is the subject of this Agreement
6. **CONTRACTOR'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law, CONTRACTOR shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONTRACTOR, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its

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officers, agents, or employees. CONTRACTOR'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONTRACTOR at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONTRACTOR.

CONTRACTOR'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONTRACTOR.

7. **COMPENSATION.** CONTRACTOR'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$54,250.

No work shall be performed by CONTRACTOR in excess of the total contract price without prior written approval of the CITY. CONTRACTOR shall obtain approval by the CITY prior to performing any work that results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the CITY within thirty (30) calendar days from the notice to proceed.
9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONTRACTOR concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
10. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONTRACTOR shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

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11. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

12. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONTRACTOR for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONTRACTOR only for work performed in accordance with the Agreement up to and including the date of termination.

13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONTRACTOR and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Contractor Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

SANCON ENGINEERING, INC.

CITY OF OCEANSIDE

By: _____



Name/Title

By: _____

Peter Weiss, City Manager

By: _____



Name/Title

APPROVED AS TO FORM:



City Attorney

Employer ID No.

NOTARY ACKNOWLEDGMENTS OF CONTRACTOR MUST BE ATTACHED.

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California

County of ORANGE

Subscribed and sworn to (or affirmed) before me

on this 5TH day of MARCH, 2012,
by Date Month Year

(1) NICK P. BENEDETO
Name of Signer

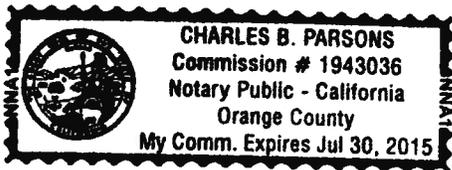
proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(and

(2) BOB HOUNSBORTH
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature [Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: LA SALINA AGREEMENT

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT OF SIGNER #1

Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2

Top of thumb here

SANCON ENGINEERING, INC.

Exhibit A

GENERAL ENGINEERING CONTRACTOR
STATE CONTRACTORS LICENSE #731797

"ACTIVE"

Tel: (714) 891-2323
Fax: (714) 891-2524

Date: **December 8, 2011**

Proposal No. **B12088**

To: City of Oceanside
Attention: Mark Patnode
Phone: (760) 435-5903 Fax: (760) 435-5840 e-mail: patnode@ci.oceanside.ca.us

Project: **Rehabilitation of 14" Steel Air Line to North Aeration Tank
La Salina Treatment Plant**

Scope of work: Based on a site inspection by Mike Mendez and myself, please see the following proposal to perform Cured-in-Place Pipe lining of the 14" steel air line running from the Blower Building to the North Aeration Tank.

Our proposal includes:

- Review of internal video tape to be made by others during scheduled valve removal by the City at the Blower Bldg
- Assist City in identifying location of angle points in the line for excavation purposes.
- Mobilize subcontractor to excavate & remove fittings at the 90° bend & one of the 45° angle points to allow sufficient room to install the CIPP liner.
- Install 14" x 6mm thick CIPP liner, as discussed at our meeting with the City, to the segments from the Blower Bldg to the North Aeration Tank.
- Install "Weko Seals" at each termination point of the CIPP liner to prevent air leakage between CIPP and old host pipe.
- Re-install new fittings at the removed angle points to reconnect the pipes.
- Backfill and re-pave pit areas to complete the rehabilitation process.

Assumptions:

- City to coordinate scheduling of activities with Sancon to insure all discussed items are covered prior to full commitment by Sancon to install the CIPP liner.
- City to disconnect valves and possibly the connection point at the aeration tank to allow video inspection of the ex. 14" steel air line, followed by coordination with Sancon to review the video of the air line.
- Assume water available on site for any flush cleaning and steam boiler generation activities
- Assumes City will disconnect spool at the Aeration Tank for lining and reinstate after lining, remove spool piece at the valves and reinstate the valve spool piece at the Blower Bldg after lining and test the air system prior to backfill of the pit areas.
- Assumes Normal working hours M – F 7AM to 4PM

This bid excludes the following:

- Stand by rate / additional work not listed above @ \$ 410.00 / Hr. (Not anticipated)

Price: \$54,250.00 (lump sum)

Please feel free to call me with any questions

Respectfully Submitted,

Bob Hollingsworth
Sancon Engineering, Inc.