ITEM NO. 9

STAFF REPORT

CITY OF OCEANSIDE

DATE: February 27, 2013

TO: Honorable Mayor and City Council Members

FROM: Water Utilities Department

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH GENERAL PUMP COMPANY FOR THE WELL 2 REHABILITATION PROJECT**

SYNOPSIS

Staff recommends that the City Council approve a professional services agreement in the amount of $79,891 with General Pump Company of San Dimas for the Well 2 Rehabilitation project; and authorize the City Manager to execute the agreement, provided in Exhibit A upon receipt of all supporting documents.

BACKGROUND

The Mission Basin Groundwater Desalting Facility (MBGDF), located at 215 Fireside Drive, was originally constructed and put into operation in 1994. The original facility produced 2.2 million gallons per day (mgd) of potable water from brackish groundwater by use of a reverse osmosis treatment process. One of the original groundwater wells providing water to the facility was Well 2, which was completed in October 1995.

In December 2011, Well 2 was taken offline due to the screen plugging and developing entrained air issues, which has impacted plant processes and production.

As part of the Water Utilities Department's goal of maintaining groundwater production wells at maximum capacity and maintaining the structural integrity of the wells, rehabilitation of Well 2 needs to be performed. The rehabilitation work will be performed in order to bring the well back to its designed production rate and provide a reliable flow of groundwater to the MBGDF. The rehabilitation work will include pulling the pump and motor, rebuilding the pump, performing a pre-cleaning video documentation of the well interior, cleaning the well, post-cleaning video documentation of the well interior, installing the motor and rebuilt pump, performing a pump test, and re-commissioning the well.

ANALYSIS

On November 1, 2012, staff solicited proposals from five pump contracting firms (Exhibit B) to provide the necessary rehabilitation work for Well 2. The firms were selected based upon their experience and expertise in providing groundwater well redevelopment and rehabilitation services.

On November 30, 2012, two proposals were received by the Water Utilities Department (Exhibit C). In accordance with the City's procedure, a panel consisting of City project managers was selected to evaluate the proposals. The panel recommends that General Pump Company be selected to provide the Well 2 Rehabilitation work.

FISCAL IMPACT

The Mission Basin Desalter Facility Minor Improvements fund (908748500712.5702.10600) has a balance of $242,466. The General Pump Company bid $79,891 for the Well 2 Rehabilitation work. Therefore, adequate 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 with an update at the March 19, 2013, meeting.

RECOMMENDATIONS

Staff recommends that the City Council approve a professional services agreement in the amount of $79,891 with General Pump Company of San Dimas for the Well 2 Rehabilitation project; and authorize the City Manager to execute the agreement, provided in Exhibit A upon receipt of all supporting documents.

PREPARED BY:

Jason Dafforn
Water Utilities Division Manager

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Cari Dale, Water Utilities Director

Teri Ferro, Financial Services Director

Exhibit A: Professional Services Agreement
Exhibit B: Request for Proposals Mailing List
Exhibit C: Proposal Results

CITY OF OCEANSIDE

PROFESSIONAL CONTRACTOR SERVICES AGREEMENT

PROJECT: WELL NO. 2 REHABILITATION

THIS AGREEMENT, dated _____, 2013 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and GENERAL PUMP COMPANY, INC., hereinafter designated as "CONTRACTOR."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The CONTRACTOR desires to perform the Rehabilitation of Well # 2 and is more particularly described in the CONTRACTOR'S Scope of Work dated November 27, 2012, 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.

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
Automobile Liability Insurance	$ 1,000,000

*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 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 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 $79,891.40

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 ninety (90) calendar days.

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.

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.

GENERAL PUMP COMPANY, INC.	CITY OF OCEANSIDE
By: _____	By: _____
Name/Title Geoffrey Bates / Project Manager	Peter Weiss, City Manager
By: _____	APPROVED AS TO FORM:
Name/Title	_____
95-3551896	City Attorney
Employer ID No.	

NOTARY ACKNOWLEDGMENTS OF CONTRACTOR MUST BE ATTACHED.

CITY OF OCEANSIDE
WELL 2 REHABILITATION REQUEST FOR PROPOSALS
CONTRACTOR MAILING LIST

Exhibit B

Company	Address	City	State	Zip	First Name	Last Name	Phone
Fain Drilling & Pump Co.	12029 Old Castle Road	Valley Center	CA	92082	Joe	Fain	760-749-0701
General Pump Co.	159 N. Acacia Street	San Dimas	CA	91773	Geoffrey	Bates	909-599-9606
Hidden Valley Pump Systems	31248 Valley Center Road	Valley Center	CA	92082	Jason	Bogan	760-749-2209
Layne Christensen Co.	1717 West Park Ave	Redlands	CA	92373	Dennis	Skinner	909-390-2833
Stehly Brothers Drilling Inc.	13268 McNally Road	Valley Center	CA	92082	Paul	Stehly	760-742-3668

City of Oceanside
Well #2 Rehabilitation
11/30/2012

Exhibit C

	Companies	
Well Number	Hidden Valley Pump Systems, Inc.	General Pump Company, Inc.
#2 Rehabilitation	$ 64,680.00	$ 79,891.40
Total	$ 64,680.00	$ 79,891.40