

## STAFF REPORT



## CITY OF OCEANSIDE

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DATE: November 6, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **ACCEPTANCE OF IMPROVEMENTS CONSTRUCTED BY J.R. FILANC CONSTRUCTION COMPANY, INC. AND APPROVAL OF AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH INFRASTRUCTURE ENGINEERING CORPORATION FOR INSPECTION SERVICES**

**SYNOPSIS**

Staff recommends that the City Council accept improvements constructed by J.R. Filanc Construction Company, Inc. for the 511 Pump Station improvements located at the Mission Basin Desalting Facility; authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder; approve amendment 1 in the amount of \$88,232 to the professional services agreement with Infrastructure Engineering Corporation of Oceanside for quality assurance engineering support services; and authorize the City Manager to execute the amendment.

**BACKGROUND**

On May 18, 2011, the City Council approved a professional services agreement with Infrastructure Engineering Corporation for preparation of the technical specifications and 30 percent design plans for the 511 Pump Station located at the Mission Basin Desalting Facility. The action also authorized the City Manager to act on behalf of the City of Oceanside as signatory to accept \$1.385 million in grant funds from the United States Department of Interior, Bureau of Reclamation. Due to the timing requirements of a Bureau of Reclamation (BOR) Grant, the project had to be under construction before September 30, 2011.

On July 6, 2011, City Council adopted a resolution authorizing the use of design-build procurement by competitive negotiation, approved the technical specifications and the 30 percent design plans for the 511 Pump Station, approved a professional services agreement with Infrastructure Engineering Corporation (IEC) in the amount of \$378,600 for quality assurance engineering support services during the design-build method of project delivery, and authorized the City Engineer to request proposals.

On July 7, 2011, the 30 percent design plans and technical specifications were sent to nine design-build contractors.

On July 29, 2011, four proposals were received by the Water Utilities Department. In accordance with the City's procedure for design-build projects, staff evaluated the proposals. After a thorough review of the proposal documents including proposal amounts, bonds, references, and qualification documents, staff unanimously recommended that J.R. Filanc Construction Company, Inc. of Escondido be selected to provide the 511 Pump Station Design-Build method of project delivery in a lump sum amount not to exceed \$2,895,964. The engineer's estimate was \$3,306,290.

On August 17, 2011, City Council awarded a construction contract for the 511 Pump Station Design-Build project to J.R. Filanc Construction Company, Inc. the amount of \$2,895,964.

## **ANALYSIS**

A Notice to Proceed was issued to J.R. Filanc Construction with a contract commencement date of September 29, 2011, and a completion date of March 22, 2013. The project included completion of 60 percent, 90 percent, and 100 percent design plans and construction of the 511 Pump Station. The construction work included furnishing and installing three vertical turbine pumps with 350hp motors; modifications to the existing clear well structure; construction of reinforced concrete structural support slabs; variable frequency drives for each pump and motor in an a prefabricated steel enclosure; fully automatic controls; surge control equipment including a surge tank; emergency generator; switch board, all electrical and instrumentation and control work; and, 2,500 linear feet of 18-inch ductile iron pipe effluent line from the plant to the connection on the existing 24-inch water line in Foussat Road.

Change order 1 was in the amount of \$5,500 and added 60 calendar days to the contract time. Change order 2 was a credit amount of \$1,778 and added 130 calendar days to the contract time. These additional 190 calendar days extended the contract completion date to September 28, 2013.

IEC provided quality assurance engineering support services during the design-build method of project delivery for nearly two years and their performance has been satisfactory. Their previously approved amount of \$378,600 was for eighteen months and the budget amount was exhausted in April 2013, which was slightly over eighteen months from notice to proceed. Change order 1 and change order 2 extended the contract 190 calendar days and revised the Completion Date to September 28, 2013.

Since the time extensions were unforeseeable and beyond IEC's control, it was necessary to extend the quality assurance engineering support services work. IEC represented the City's interests and monitored the day-to-day construction activities, which is very important on a project like the 511 Pump Station Design-Build. IEC agreed to work on a month-to-month basis and accumulate the charges until the contractor completed the fieldwork. Upon the completion of the fieldwork, the Amendment to IEC's Professional Services Agreement would reflect the work that had been done and an allocated amount for work necessary to complete all of the work per the contract documents. IEC's attached proposal is in the not to exceed amount of \$88,232 and covers the period from a portion of April 2013 through September 2013.

The field work was completed by September 28, 2013. The estimated not to exceed cost in the original professional services agreement and the amendment to the agreement are more than sufficient to cover all of the work provided by IEC (Exhibit A). The amended amount of IEC's contract totals \$466,832.

A final inspection was performed and it was determined that the project was completed per the plans and specifications.

**FISCAL IMPACT**

The City Council approved an appropriation of \$5,277,646 in the FY 2011-2012 Water capital projects budget for the 511 Pump Station (908122600715.5702.10600). The United States Bureau of Reclamation final grant funding is anticipated to be \$857,429. The J.R. Filanc Construction Company, Inc. contract was in the amount of \$2,895,964. With change orders 1 and 2, J.R. Filanc Construction Company, Inc. contract totaled \$2,899,685. The professional services agreement for Infrastructure Engineering Corporation was in the amount of \$378,600 (511 Pump Station 908122600715.5305.10600) for quality assurance engineering support services. With amendment 1 in the amount of \$88,232 IEC's professional services agreement totaled \$466,832. The total final cost of the project is \$3,366,517. Therefore, adequate funds are available for the project.

**INSURANCE REQUIREMENTS**

The City's standard insurance requirements will be met.

**COMMISSION OR COMMITTEE REPORT**

The Utilities Commission approved staff's recommendation at its scheduled meeting on October 15, 2013.

**CITY ATTORNEY'S ANALYSIS**

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

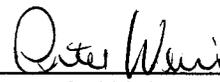
**RECOMMENDATIONS**

Staff recommends that the City Council accept improvements constructed by J.R. Filanc Construction Company, Inc. for the 511 Pump Station improvements located at the Mission Basin Desalting Facility; authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder; approve amendment 1 in the amount of \$88,232 to the professional services agreement with Infrastructure Engineering Corporation of Oceanside for quality assurance engineering support services; and authorize the City Manager to execute the amendment.

PREPARED BY:

  
\_\_\_\_\_  
Jason Dafforn  
Water Utilities Division Manager

SUBMITTED BY:

  
\_\_\_\_\_  
Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager

Cari Dale, Water Utilities Director

Michael Blazenski, Interim Financial Services Director

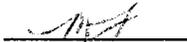
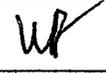
  
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Exhibit A: Infrastructure Engineering Corporation PSA Amendment

**CITY OF OCEANSIDE  
AMENDMENT 1 TO  
PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: 511 PUMP STATION – OFFICE ENGINEERING SERVICES  
DURING CONSTRUCTION – 908742500715**

**THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT** (hereinafter “Amendment”) is made and entered this \_\_\_\_ day of \_\_\_\_\_ 2013, by and between the City of Oceanside, a municipal corporation, hereinafter designated as “CITY”, and INFRASTRUCTURE ENGINEERING CORPORATION, hereinafter designated as “CONSULTANT”.

**RECITALS**

WHEREAS, CITY and CONSULTANT are parties to that certain Professional Services Agreement dated July 6, 2011, hereinafter referred to as the “Agreement”, wherein CONSULTANT agreed to provide certain services to the CITY as set forth therein;

WHEREAS, the parties desire to amend the Agreement to provide for changes and/or modifications to Section 1, Scope of Work; and Section 7, Compensation.

**AMENDMENT**

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Section 1, Scope of Work, shall be amended to reflect and include additional quality assurance engineering support services as described in the proposal dated July 3, 2013, attached hereto and incorporated.
2. Section 7, Compensation, shall be amended to reflect that all work performed in accordance with the Agreement dated July 6, 2011, shall not exceed the total contract price of \$466,832.
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

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

**IN WITNESS WHEREOF,** the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

INFRASTRUCTURE ENGINEERING CORPORATION

CITY OF OCEANSIDE

By: *Robert Weber*  
Name/Title Robert Weber, VP

By: \_\_\_\_\_  
City Manager

Date: 10/24/13

Date: \_\_\_\_\_

By: *Vivian Shaw* / Secretary  
Name/Title

Date: 10/24/13

APPROVED AS TO FORM:

*Paul Hamilton, ASST.*  
City Attorney

01-0617154  
Employer ID No.

**NOTARY ACKNOWLEDGEMENTS OF CONSULTANT MUST BE ATTACHED.**



July 3, 2013

Mr. Gary Bodman  
 Water/Wastewater Project Manager  
 City of Oceanside Water Utilities Department  
 City of Oceanside  
 300 North Coast Highway  
 Oceanside California 92054

**RE: Design/Build Phase Services for the 511 Pump Station and Pipeline Project**

Dear Mr. Bodman:

Infrastructure Engineering Corporation (IEC) is pleased to provide this proposal for extended services for the Design/Build Phase Services for the 511 Pump Station and Pipeline Project.

**Extended Services**

Our Base Contract scope of services and fee were based on the project's contract document specified duration of 18 months; to date the duration has been exceeded by approximately 3.5 months. Based on the current status, we anticipate the project will be concluded (at least to a point where IEC's services are essentially complete) on or around August 15, 2013, or approximately 5 total months additional of 18 months. Accordingly, Table 1 below represents to adjusted fee for each subtask per IEC's agreement with the City executed July 6, 2011.

**Table 1 : Fee Summary**

Subtask Number	Subtask Description Summary	Base Contract Fee	Proposed Amended Fee	Proposed Additional Fee
<b>TASK 1</b>	<b>PROPOSAL PHASE SERVICES</b>	<b>\$7,350</b>	<b>\$10,005</b>	<b>\$2,655</b>
<b>TASK 2</b>	<b>CONSTRUCTION PHASE SERVICES</b>	<b>\$130,525</b>	<b>\$195,401</b>	<b>\$64,876</b>
2.1	Review & Acceptance of D/B Contractor Design	\$33,920	\$36,000	\$2,080
2.2	Project Management, Permits, Meetings, Coordination, Final Acceptance	\$25,040	\$34,000	\$8,960
2.3	Construction Documentation Reviews	\$20,720	\$20,701	-\$19
2.4	RFI's, Site Visits, Submittal Reviews	\$16,142	\$86,000	\$69,858
2.5	Electrical & Control (Moraes/Pham & Associates)	\$22,575	\$8,000	-\$14,575
2.6	Structural (Simon Wong Eng)	\$7,350	\$7,350	\$0
2.7	Corrosion Engineering (RF Yeager)	\$4,778	\$3,350	-\$1,428
<b>Task 3</b>	<b>QUALITY ASSURANCE</b>	<b>\$240,725</b>	<b>\$261,426</b>	<b>\$20,701</b>
3.1	CM Assistance, Inspection, Start-up & Testing	\$213,950	\$243,226	\$29,276
3.2	Electrical & Control (Rockwell)	\$26,775	\$18,200	-\$8,575

**Totals : \$378,600 \$466,832 \$88,232**

Mr. Gary Bodman  
City of Oceanside  
July 4, 2013  
Page 2 of 2

The total requested additional fee of \$88,232 represents an increase of approximately 23.3% of the Base Contract fee of \$378,600. The projected duration has increased by approximately 27.4%, which has resulted in additional Construction Phase Services (Task 2) and Construction Quality Assurance (Task 3). In addition, the design builder's design and material submittals have been atypically numerous, and sometimes incomplete, with many requiring several re-submittals. This has resulted in a substantial increase of additional reviews by IEC under Task 2.2.

We sincerely appreciate the opportunity to provide this proposal and to further assist the City with this project. Please contact me at (858) 413-2400 should you have any questions or need further information.

Sincerely,



Aric M. Gnesa, P.E.  
Project Manager