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**Title:** Approve an Agreement with Tutor Perini/Zachry/Parsons, a Joint Venture (TPZP) for City of Fresno Plan Review and Construction Management Services Related to the California High Speed Rail Project (Council Districts 1, 2, and 3).

**Sponsors:** Public Works Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 19-1816 TPZP Plan Review and CM Services Agreement.pdf, 2. 19-1816 VICINITY MAP CHSR.PDF

Date	Ver.	Action By	Action	Result
6/20/2019	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**June 20, 2019**

**FROM:** SCOTT L. MOZIER, PE, Director  
Public Works Department

**THROUGH:** ANDREW J. BENELLI, PE, City Engineer/Assistant Director  
Public Works Department

**BY:** JESUS AVITIA, PE, Deputy City Engineer  
Public Works Department

**SUBJECT**

Approve an Agreement with Tutor Perini/Zachry/Parsons, a Joint Venture (TPZP) for City of Fresno Plan Review and Construction Management Services Related to the California High Speed Rail Project (Council Districts 1, 2, and 3).

**RECOMMENDATIONS**

Staff recommends the City Council:

1. Approve an agreement with Tutor Perini/Zachary/Parsons (TPZP) for City Plan Review and Construction Management Services related to the California High Speed Rail Project (the Agreement).
2. Authorize the Director of Public Works or his designee to sign the Agreement on behalf of the City of Fresno.

## EXECUTIVE SUMMARY

In February 2016 the City Council approved the execution of a “lump sum” agreement with TPZP for \$1,900,000 to be used for City plan review and construction management services (the Lump Sum Agreement). The Lump Sum Agreement was terminated in September 2018. Since then, TPZP has been paying for City plan review and inspection services under the City’s Master Fee Schedule (MFS) as adopted by the Council, while negotiating a new agreement with the City. Rather than utilize the City’s Master Fee Schedule, which provides cost recovery for services provided to new private developments, interagency projects and utility permits, TPZP has negotiated the actual cost fee agreement with the City (the Fee Agreement). Pursuant to the Fee Agreement, the City will bill for services based upon the City’s actual costs as opposed to billing TPZP for work based upon the MFS.

## BACKGROUND

The California High Speed Rail Authority (CHSRA) has awarded TPZP the Design-Build Construction Package 1 contract (CP1) in Fresno, which extends from north of the San Joaquin River to beyond American Avenue in the south. Under the Design-Build delivery method, the Contractor is responsible for both the engineering design and the actual construction. CHSRA has also made TPZP responsible for day-to-day construction inspections and a self-certification that all of the improvements have been constructed in accordance with the approved plans and specifications. Within the City of Fresno, CP1 includes a dozen railroad grade separation projects where the street will be rebuilt as either an overpass or underpass, several miles of a relocated Golden State Boulevard, miles of rerouted sewer and water mains, more than 30 traffic signal installations or modifications and all associated facilities such as street lighting, curbs, gutters, sidewalks and landscaping.

As of September 2018, after the termination of the Lump Sum Agreement, TPZP has been paying for City plan review and inspection services under the City’s Master Fee Schedule (MFS) as adopted by the Council. Due to the large number of construction packages, this creates a considerable administrative effort for both parties. In that the City of Fresno, like the vast majority of California cities, utilizes a percentage of the construction cost as the basis for the plan review and inspection fees, this has also resulted in continual discussions concerning the calculation of the permit fees. The MFS is also based upon City inspection of all infrastructure being constructed, not recognizing the role of TPZP’s day-to-day inspection and certification.

The proposed agreement will continue to provide a proper balance, including full City engineering plan review and approval, as well as a construction oversight role for City senior engineering inspectors. Electrical inspections and traffic signal controller testing will follow the traditional process under the agreement due to the sensitive nature of these facilities. Not covered under the Fee Agreement are wet ties to the City water system, which will be handled separately. The Fee Agreement also provides for ongoing monitoring of actual versus projected costs on a monthly basis and a reopener of the agreement in the event that the level of City staff effort exceeds the amount of the agreement.

City Attorney has reviewed and approved to form the Plan Review and Construction Management Services Agreement as to form.

## **ENVIRONMENTAL FINDINGS**

This item is not a project as defined by the California Environmental Quality Act.

## **LOCAL PREFERENCE**

Not applicable because this is not a competitive bid award.

## **FISCAL IMPACT**

There will be no impact to the General Fund or any City operating funds associated with the recommended action. The agreement requires that TPZP makes an initial deposit to the City of \$200,000. The City will invoice TPZP on a monthly basis, which TPZP is required to pay within 30 days of invoice receipt.

### Attachments:

TPZP Plan Review and CM Services Agreement (with Exhibits)

Vicinity Map