



Legislation Details (With Text)

File #: ID 24-822 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 6/6/2024 **In control:** City Council

On agenda: 6/27/2024 **Final action:** 6/27/2024

Title: Approve the Third Amendment to the Plan Review and Construction Management Services Agreement, in the amount of \$4,100,000, with Tutor Perini/Zachary/Parsons, a Joint Venture, for a total increased contract amount of \$7,700,000, and to extend the term of the agreement by thirty months to December 31, 2026. (Council Districts 1, 2, and 3)

Sponsors: Public Works Department

Indexes:

Code sections:

Attachments: 1. 24-822 Original Agreement, 2. 24-822 First Amendment, 3. 24-822 Second Amendment, 4. 24-822 Third Amendment, 5. 24-822 Vicinity Map

Date	Ver.	Action By	Action	Result
6/27/2024	1	City Council		

REPORT TO THE CITY COUNCIL

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

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Public Works Department, High-Speed Rail and Special Projects Division

SUBJECT

Approve the Third Amendment to the Plan Review and Construction Management Services Agreement, in the amount of \$4,100,000, with Tutor Perini/Zachary/Parsons, a Joint Venture, for a total increased contract amount of \$7,700,000, and to extend the term of the agreement by thirty months to December 31, 2026. (Council Districts 1, 2, and 3)

RECOMMENDATION

Staff recommends that the City Council approve the Third Amendment to the Plan Review and Construction Management Services Agreement with Tutor Perini/Zachary/Parsons, a Joint Venture (TPZP), in the amount of \$4,100,000, for a total increased contract amount of \$7,700,000, and to extend the term of the agreement by thirty (30) months to December 31, 2026, and authorize the Public Works Director or designee to execute the amendment on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

On March 21, 2024, the Council approved the Second Amendment to the Plan Review and Construction Management Services Agreement, extending the term of the Agreement from March 31,

2024 to June 30, 2024. The Third Amendment will increase the agreement by an additional \$4,100,000 and extend the term of the agreement to December 31, 2026, which would allow the City to continue providing services based upon the City's actual cost as opposed to billing TPZP for work based upon the Master Fee Schedule (MFS).

BACKGROUND

The California High Speed Rail Authority (CHSRA) 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 physical construction. CHSRA has also made TPZP responsible for day-to-day construction inspections and a self-certification that all 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, numerous 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.

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), which was terminated in September 2018. After the termination, TPZP was paying for City plan review and inspection services under the City's MFS, as adopted by the Council. Due to the large number of construction packages, using the MFS creates a considerable administrative effort for both parties to track and manage payments. 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 also resulted in frequent discussions concerning the calculation of the permit fees. Lastly, the MFS is based upon City permit inspections of all newly constructed public infrastructure, not recognizing the role of TPZP's day-to-day inspection and certification, which is required under their contract with CHSRA.

In 2019, the City Council approved the execution of the Plan Review and Construction Management Services Agreement, for an amount of \$1,800,000, with TPZP for the City to continue providing plan review and construction management support services related to California High Speed Rail Project. The Agreement allowed the City to continue to provide City engineering plan review and approval, as well as a construction oversight role for City infrastructure. The Agreement also provides for ongoing monitoring of actual versus projected costs, on a monthly basis, and language providing for a contract amendment in the event that the level of City staff effort exceeds the amount of the agreement.

The First Amendment increased the Plan Review and Construction Management Services Agreement by an additional \$1,800,000, for a total increased contract amount of \$3,600,000, and extended the term of the agreement to March 31, 2024, which has allowed the City to continue providing services based upon the City's actual cost, as opposed to billing TPZP for work based upon the MFS.

The Second Amendment extended the term of the agreement to June 30, 2024, which allowed the City to negotiate with TPZP and CHSRA additional funds and timeline for the completion of City infrastructure.

The Third Amendment will increase the Plan Review and Construction Management Services Agreement by an additional \$4,100,000, for a total increased contract amount of \$7,700,000, and extend the term of the agreement to December 31, 2026, which would allow the City to continue providing services based upon the City's actual cost, as opposed to billing TPZP for the work based on the MFS.

The City Attorney's Office has reviewed and approved the amendment as to form.

ENVIRONMENTAL FINDINGS

By the definition provide in the California Environmental Quality Act (CEQA) Guidelines Section 15378 this item does not qualify as a "project."

LOCAL PREFERENCE

Local preference was not implemented as this action does not involve the bid or award of a construction or services contract.

FISCAL IMPACT

There will be no impact to the General Fund or any City operating funds associated with the recommended action. The agreement requires the City to invoice TPZP on monthly basis, which TPZP is required to pay within 30 days of invoice receipt.

Attachments:

- Original Agreement
- First Amendment
- Second Amendment
- Third Amendment
- Vicinity Map