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Title: Approve the Fifth Amendment to the Professional Engineering Consulting Services Agreement with Carollo Engineers, Inc., in the amount of \$656,175 for a Supplemental Services Task and additional design services associated with a cost savings configuration change of the Treated Water Reservoirs on the City of Fresno's 80-million gallon per day Southeast Surface Water Treatment Facility project; and for full, complete, and comprehensive Engineering Services During Construction for the City of Fresno's Kings River Raw Water Pipeline project (citywide).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Carollo_KRP Amendment 5_ Signatures.pdf

Date	Ver.	Action By	Action	Result
5/12/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

May 12, 2016

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

THROUGH: MICHAEL CARBAJAL, Division Manager
Department of Public Utilities - Water Division

BY: GLENN A. KNAPP, PE, Professional Engineer
Department of Public Utilities - Water Division

SUBJECT

Approve the Fifth Amendment to the Professional Engineering Consulting Services Agreement with Carollo Engineers, Inc., in the amount of \$656,175 for a Supplemental Services Task and additional design services associated with a cost savings configuration change of the Treated Water Reservoirs on the City of Fresno's 80-million gallon per day Southeast Surface Water Treatment Facility project; and for full, complete, and comprehensive Engineering Services During Construction for the City of Fresno's Kings River Raw Water Pipeline project (citywide).

RECOMMENDATIONS

Staff recommends that City Council:

1. Approve the Fifth Amendment to the Professional Engineering Consulting Services Agreement with Carollo Engineers, Inc., in the amount of \$656,175 for a Supplemental Services Task and additional design services associated with a cost savings configuration change of the Treated Water Reservoirs on the City of Fresno's 80-million gallon per day Southeast Surface Water Treatment Facility project; and for full, complete, and comprehensive Engineering Services During Construction for the City of Fresno's Kings River Raw Water Pipeline project.
2. Authorize the Director of Public Utilities or designee, to sign the Amendment on behalf of the City of Fresno.

EXECUTIVE SUMMARY

This Fifth Amendment to the Professional Engineering Consultant Services Agreement with Carollo Engineers, Inc. (Carollo), provides for a Supplemental Services Task and additional design services associated with Value Engineering of the Treated Water Reservoirs on the City of Fresno's 80-million gallon per day Southeast Surface Water Treatment Facility (Facility) project; and for full, complete, and comprehensive Services During Construction for the City of Fresno's Kings River Raw Water Pipeline project (Project). The value of the Fifth Amendment is \$656,175 for a Total Fee amount of \$19,585,227. This Fifth Amendment will be funded through a State Revolving Fund Low Interest Loan from the State Water Resources Control Board (Board) previously accepted by the City of Fresno (City) Council as part of the Facility construction project.

BACKGROUND

On July 23, 2012, the Department of Public Utilities (DPU) initiated a consultant selection process in accordance with Fresno Municipal Code (FMC) Chapter 4, Article 1, and Administrative Order 6-19, to select a professional engineering consulting firm to provide planning, permitting, design, and construction phase services for the Facility and Raw Water Conveyance System. To initiate the selection process, DPU notified twelve (12) consulting firms directly, and advertised in The Business Journal on July 23, 2012, that the City was soliciting Consultant Statement of Qualifications for the Facility. DPU received four (4) Statements of Qualifications in response to the solicitation. After reviewing the Statements of Qualifications, DPU short-listed three (3) firms for interviews and upon completion of the interview process, Carollo was selected as being the most qualified to meet the City's needs for the Project.

On June 13, 2013, the Council approved a Consultant Services Agreement with Carollo for a Total Fee of \$9,991,000, which included a Base Fee of \$9,149,600 and Design Contingency Fund of \$841,400.

On July 21, 2014, City Council approved the First Amendment to the Agreement to provide additional design services for an electrical substation to serve the Facility. The value of First Amendment was \$225,000, and the costs were funded from the Design Contingency Fund.

On August 24, 2014, City Council approved the Second Amendment to the Agreement to provide additional design services for the Project. The value of Second Amendment was \$52,867, and the costs were funded from the Design Contingency Fund.

On August 20, 2015, City Council approved the Third Amendment to the Agreement to provide additional agency coordination, surveying and design required to complete the 100-percent construction documents for the Facility. The value of the Third Amendment was \$18,170, and the costs were funded from the Design Contingency Fund. With the execution of Amendment No. 3, the planning, permitting, design and bidding services portions of the Consultant Services Agreement were 100-percent complete, and no further amendments were required for the Facility and no additional Design Contingency Funds were required for the Facility. The final remaining balance of the Design Contingency Fund was \$545,363. The design portion of the Facility was completed for less than the overall design budget including contingencies.

On November 19, 2015, City Council approved the Fourth Amendment to the Agreement to provide full, complete, and comprehensive engineering services during construction (Services) for the Facility. The value of the Fourth Amendment was \$8,897,052, and the costs were funded from the remainder of the Design Contingency Fund and the balance was funded through a State Revolving Fund Low Interest Loan from the Board previously accepted by the City of Fresno (City) Council as part of the Facility.

This Fifth Amendment to the Professional Engineering Consultant Services Agreement with Carollo addresses services for two (2) construction projects: the Facility and the Project.

On November 19, 2015, City Council awarded a general construction contract to WM Lyles Co. for their bid price of \$158,766,000 to construct the Facility. The Notice to Proceed (Notice) with construction was issued to WM Lyles Co. on December 31, 2015. Subsequent to issuing the Notice, the City negotiated a change to the configuration of the Facility Treated Water Reservoirs that yielded a savings of \$1,552,734. This savings was credited in Change Order No. 2 to the WM Lyles Co. contract. Carollo Engineers expended \$49,850 to provide engineering design services for the configuration change.

The City has determined a need for on-call services from Carollo associated with factory testing of the Owner-procured Supervisory Control and Data Acquisition (SCADA) integration, engineering consulting support associated with distribution system water quality management when introducing the new treated Kings River water, and other miscellaneous engineering support services related to the Facility.

On January 26, 2016, the bidding process for the Project was initiated, and on March 15, 2016, nine (9) bids were received for the Project. The lowest responsive bidder for the Project was determined to be Garney Construction for a bid price of \$45,583,750 which was 23 percent below the Engineer's Estimate of \$59,322,950. In accordance with Carollo's Consultant Services Agreement, the Project Services will begin with the award of the Project's general construction contract to Garney Construction, and will terminate when a Notice-of-Completion is filed with the Board. As the Engineer-of-Record for the Project, Carollo is required to sign the Notice-of-Completion to certify that the Project was constructed in general accordance with the project construction documents.

This Fifth Amendment to the Professional Engineering Consultant Services Agreement with Carollo provides compensation for engineering design services for the Facility Treated Water Reservoirs configuration change; a Supplemental Services task for the Facility; and full, complete, and comprehensive Services During Construction for the Project. The value of the Fifth Amendment is \$ 656,175 for a Total Fee amount of \$19,585,227.

Carollo will work under the direction and guidance of the City's program management team and use the capital project management delivery system developed through the City's Program Management Services Contract.

This Fifth Amendment to the Consultant Services Agreement has been approved as to form by the City Attorney's Office, and the Consultant's Certificates of Insurance have been approved by the City's Risk Management.

ENVIRONMENTAL FINDINGS

Adoption of this Fifth Amendment is not a "project" for the purposes of California Environmental Quality Act (CEQA), as it is a funding mechanism or other government fiscal activity, and does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment as contemplated by CEQA Guidelines Section 15378(b).

LOCAL PREFERENCE

Local preference was not implemented because this action pertains to an amendment of an existing service contract.

FISCAL IMPACT

There is no impact to the General Fund. This Fifth Amendment will utilize funding through the Board's State Revolving Fund Low Interest Loan Program for construction of the Facility and Project. Appropriations are included in Water Division's FY 2016 Capital Improvement Program adopted budget within the State Low Interest Loan Fund (40188) for the Facility and as established by the Council Resolution for the 40th Amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 in State Low Interest Loan Fund (40161) for the Project. The loan repayments were included in the water rate model used to create the five-year utility rate plan that was adopted by the City Council on February 26, 2015.

Attachment:

Fifth Amendment to Professional Engineering Consultant Services Agreement