Council Meeting: December 13, 2011

SUBJECT: Amend an Existing Contract for Capital Project Construction Management and Support Services (F1111-28)

BACKGROUND
The Department of Public Works Engineering Division is currently responsible for the delivery of over 80 active capital projects totaling more than $100 million, many of these begun during the Sunnyvale Works! accelerated capital improvement program. Careful management is required to ensure that these projects are designed and constructed in accordance with the City’s plans, specifications and standards. The workload exceeds what can be managed by current staffing levels. This is mainly due to vacancies from retirements within the Engineering Division, coupled with the increase in the number of construction projects.

In order to keep pace with capital project design and construction, staff recommended and Council approved construction management and support services contracts to CSG Consultants, Inc. in November 2009 for $341,250 and August 2010 for $754,400 (RTC Nos. 09-286 and 10-212). The latter contract was established for 10 ½ months through June 30, 2011, but was subsequently extended through June 30, 2012 in April 2011 without adding funding. In the intervening months, the Department of Public Works completed its reorganization and key vacancies remained unfilled, requiring additional services from CSG such that the contract has now been expended several months before the extended end date. Staff therefore recommends amending the current contract by increasing the not-to-exceed value by $683,200 and extending the end date to December 31, 2012.

DISCUSSION
The Engineering Division is in the process of filling four key construction design/management vacancies due to recent retirements. These recruitments will replace current staff levels but will not be sufficient to manage all of the capital projects currently underway and those anticipated through calendar 2012. In order to keep pace with this workload, it is necessary to augment staffing with outside professional services. CSG Consultants, Inc., is uniquely qualified to provide these services, working exclusively with public agencies and providing construction management and support services to a number of Bay Area jurisdictions such as San Mateo, Redwood City, Pacifica, and Half Moon Bay.
Customarily, staff would issue a Request for Proposals (RFP) for a contract of this scope to ensure that the City is receiving the best value for services received (even though this type of professional service can be exempted from the competitive proposal process per Section 2.08.070(b)(1) of the Sunnyvale Municipal Code). Given the number of capital improvements in process and lack of available staff to manage them, and due to the critical nature of the work needed to ensure successful/timely completion, staff has not undertaken a competitive proposal process for this particular contract.

Though a competitive proposal process was not utilized for this contract or its predecessor, CSG Consultants was pre-qualified for this type of work in a number of service categories under the Sunnyvale Works! Pre-qualification Program, including construction management services, streets and roadways, and water/wastewater utilities.

The requested contract amendment of $683,200 is based upon approximately 96 hours per week through the end of calendar 2012. The work will be distributed among CSG’s professional classifications of Principal Engineer, Associate Engineer and Assistant Engineer. It should be noted that CSG has agreed to reduce their hourly rates for Principal and Associate Engineer by 14% and 17% respectively (from $175/hour to $150/hour and from $150/hour to $125/hour). This is in addition to previously held pricing (to 2009 levels) for the current contract. The hourly rate for Assistant Engineer remains unchanged at $110/hour.

The Public Works Department is evaluating the appropriate staffing levels needed to support the current Capital Improvement Program and will incorporate recommended changes in the upcoming budget cycle.

**FISCAL IMPACT**

Funds are budgeted in various capital projects, including but not limited to the following:

- 811250- SMaRT Station Equipment Replacement
- 816000- Future Traffic Signal Construction/Modification
- 820190- Traffic Signal Hardware and Wiring
- 825521- Pond Sediment Removal
- 827160- Tennis Center Courts Rehabilitation
- 829230- Infrastructure Investment
- 829270- Traffic Signal Modification at Bernardo
- 824301- Rehabilitation of Digesters 1&2
- 825610- Fair Oaks Overhead Bridge Rehabilitation
- 825141- Air Floatation Tanks Rehabilitation
- 808352- Morse Avenue Neighborhood Park Development
- 826850- Calabazas Creek Bridge Replacement
Amend an Existing Contract for Capital Project Construction Management and Support Services
(F1111-28)
December 13, 2011
Page 3 of 3

- 818100- Public Safety Building Roofing
- 828380- Parks Buildings HVAC Upgrades
- 815203- Replacement of Water/Sewer Supervisory Control System
- 825331- Citywide Sanitary Sewer Replacement
- 825451- Water Main Replacement
- 829270- Traffic Signal Project at Bernardo and Remington
- 816000- Traffic Signal Project at Duane and Britton

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

RECOMMENDATION
It is recommended that Council approve an amendment to an existing contract with CSG Consultants, Inc., in substantially the same form as the attached draft, extending the contract through December 31, 2012 and increasing the not-to-exceed value by $683,200, from $754,400 to $1,437,600.

Reviewed by:

Grace K. Leung, Director, Finance
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Kent Steffens, Director, Public Works

Approved by:

Gary M. Luebbers, City Manager

Attachments
A. Draft Amendment to Consultant Services Agreement
SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT
BETWEEN THE CITY OF SUNNYVALE AND CSG CONSULTANTS, INC.
FOR ON CALL PROFESSIONAL ENGINEERING SERVICES

This Second Amendment to Consultant Services Agreement, dated ______________, is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY") and CSG CONSULTANTS, INC ("CONSULTANT").

WHEREAS, on August 17, 2010, CITY and CONSULTANT entered into a Consultant Services Agreement whereby CONSULTANT would perform on call professional engineering services, including but not limited to, civil engineering design support, project coordination, CIP administration, construction management and construction inspection services; and

WHEREAS, on April 20, 2011, CITY and CONSULTANT agreed to amend the Agreement to extend time for performance through June 30, 2012; and

WHEREAS, the parties now agree that a Second Amendment to said Agreement is advisable;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT:

Section 1. Services by CONSULTANT - Delete section and replace it with the following:

CONSULTANT shall provide services in accordance with Exhibit “A” (REVISED) attached and incorporated by reference. CONSULTANT shall determine the method, details and means of performing services.

Section 2. Time for Performance - Delete section and replace it with the following:

The term of this Agreement shall be from August 11, 2010 to December 31, 2012, unless otherwise terminated. Extensions of time may be granted by the City Manager upon a showing of good cause.

Section 4. Compensation: - Delete section and replace it with the following:

CITY agrees to pay CONSULTANT at the hourly rates and job classifications as listed the Billing Rates section of the attached Revised Price Proposal (Exhibit “B”). Total compensation shall not exceed One Million Four hundred Thirty Seven Thousand Six Hundred and No/100 Dollars ($1,437,600.00) unless upon written modification of this Agreement.
CONSULTANT shall submit invoices to CITY no more frequently than monthly for services provided to date. Payment shall be made within thirty (30) days upon receipt of an accurate, itemized invoice by CITY’S Accounts Payable unit.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Second Agreement Amendment.

ATTEST:                                  CITY OF SUNNYVALE ("CITY")

By ___________________________   By ______________________________
   City Clerk                     City Manager

APPROVED AS TO FORM:  CSG CONSULTANTS, INC.
                      ("CONSULTANT")

By ___________________________   By ______________________________
   City Attorney                City Attorney

________________________________
Name and Title

________________________________
Name and Title
SCOPE OF SERVICES
(REVISED)

The City of Sunnyvale is looking to obtain timely and efficient professional services to augment the City’s internal engineering design and construction administration staff. Depending upon workload fluctuations, it is desirable to have additional employees that can work alongside in-house staff on an as-needed basis to minimize response time, meet legal deadlines, and address community delivery expectations. In this way, the City can maintain its high level of responsiveness and customer service.

DURATION OF SERVICES. On-call support services are necessary for a period of up to thirteen months (13) months, commencing on or about December 5, 2011 and lasting through the end of the 2012 Calendar Year upon successful demonstration of exemplary contract performance. The City or Consultant reserves the right to terminate the agreement at any time with a 30-day written notice.

SCOPE OF SERVICES. Services to be provided by CSG Consultants may include civil engineering design support, project coordination, CIP administration and construction management for a variety of public works projects. The City reserves the right to add or delete any of these service categories from the scope of work to be provided at any time during the contract’s duration.

Services are generally defined below, although not necessarily limited to, the areas of Engineering Design Coordination and Administration and Construction Management. Typical duties within these categories follow.

Engineering Design Coordination and Administration

CSG Consultants shall assign a Principal Engineer to assist with Engineering Division design and administrative work efforts. The engineer shall report directly to the Assistant City Engineer and perform duties in a staff-augmentation capacity, generally working independently and with little direction, on internal work efforts that require a high level of responsibility and technical expertise. Other CSG employees, supervised by the Principal Engineer or the Assistant City Engineer, may be utilized to complete assigned work in an efficient and expeditious manner. Typical duties and services to be provided include:

1. Perform initial design assessments, alternatives analysis, utility conflict analysis and preliminary design services. Investigate records and engineering data from the field or office, as necessary, to assist with the preparation of construction plans, specifications and estimates (PS&Es).

2. Manage municipal public works projects from the preliminary design stages through the completion of construction. Attend meetings, prepare minutes and other forms of correspondence, perform plan checking, prepare and review specifications and contract documents, coordinate with project stakeholders and outside agencies, perform constructability reviews, manage the bidding and project award process,
provide design support during construction in the form of responses to RFI’s, 
evaluation of submittals and review of progress payments.

3. Prepare PS&Es for use in the public bidding process, in accordance with the City’s 
Standard practices. Process plans and specifications through other agencies for 
review and approvals corresponding to special funding programs and/or permits.

4. Participate in the technical review and updating of engineering standard plans, 
details, specifications, best practices and/or standard policies.

5. Review and approve infrastructure projects associated with development activity.

6. Provide City Council engineering support through the production of staff reports, 
exhibits, drawings, power point presentations, etc.

7. Perform other engineering related duties as required.

Construction Management
CSG Consultants shall assign either an Assistant or Associate level engineer to work under 
the City’s Construction Manager, to serve as the Construction Project Manager during the 
construction of CIP projects, and to be responsible for ensuring the completion of the 
construction by overseeing the contractor’s activities. The Construction Project Manager 
shall be responsible for ensuring that all work is built to the standards defined by the 
contract documents. Services may also include:

1. Communicating and coordinating with project participants including the City, the 
contractor, testing forces and regulatory or permitting agencies.

2. Monitoring and assessing the project’s budget and providing cost control.

3. Tracking the project’s progress against the schedule and contract duration.

4. Resolving through involvement of the City, as necessary, project issues that may 
cause the project’s scope, cost or duration to vary.

5. Completing contract administration paperwork including, but not limited to; 
processing and reviewing RFI’s, submittals, potential change orders, progress 
payments, potential claims, etc.

6. Coordinating the construction inspection efforts.

7. Coordinating and participating in weekly progress meetings to discuss and resolve 
project issues.

8. Reviewing and ensuring the accuracy of the contractor’s red-lined record drawings, 
preparing the final punch list and overseeing punch list item resolution.
PERSONNEL. Available staff that CSG will utilize, as necessary, to complete the tasks envisioned during the contract duration include:

- Principal Engineer: Merrill Buck, P.E.
- Assistant Engineer / Associate Engineer: Sydney Chow, Allen Bourgeois

COMPENSATION. Consultant shall perform the Scope of Services described in this document on a time and materials basis in accordance with the billing rates in the attached, Price Proposal.
LEVEL OF EFFORT

Consultant services are needed to provide professional engineering services over an approximate duration of thirteen (13) months, through the end of the 2012 calendar year, to assist the Engineering Division with Capital Improvement Program Management and Construction Management Administration. The following positions and levels of effort have been identified by the City based upon estimated needs to arrive at a not to exceed amount for professional services.

<table>
<thead>
<tr>
<th>Position</th>
<th>Level of Effort</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Engineer</td>
<td>32 hours/week x 56 weeks @ $150/hr.</td>
<td>$268,800</td>
</tr>
<tr>
<td>Associate Engineer</td>
<td>24 hours/week x 56 weeks @ $125/hr.</td>
<td>$168,000</td>
</tr>
<tr>
<td>Assistant Engineer</td>
<td>40 hours/week x 56 weeks @ $110/hr.</td>
<td>$246,400</td>
</tr>
</tbody>
</table>

Total Not to Exceed Amount: $683,200

BILLING RATES

<table>
<thead>
<tr>
<th>Classification</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Engineer (licensed with P.E.)</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>Associate Engineer (licensed with P.E.)</td>
<td>$130 per hour</td>
</tr>
<tr>
<td>Assistant Engineer (non-licensed, with E.I.T.)</td>
<td>$110 per hour</td>
</tr>
</tbody>
</table>

Rates will remain effective through June 30, 2013.

Rates reflect and include off-site office and administrative costs and routine expenses such as local mileage, copying, fax, telephone, mail, in-house printing, software and computer usage, etc.

CSG invoices monthly for services provided the previous month.