



City of Rialto

Legislation Text

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For City Council Meeting [June 11, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Interim City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to: 1) Approve On-call Professional Services Agreements (PSA) with PPM Group, Inc.; Berg & Associates, Inc.; Willdan Engineering; TKE Engineering, Inc.; Transtech Engineers; and Wallace and Associates for On-call Construction Management, Inspection and Materials Testing Services and 2) Authorize the Issuance of Purchase Orders in the Amount of \$100,000 Each.

(ACTION)

BACKGROUND:

An important function of the Public Works Department is to perform construction inspection related to permit work within the public right-of-way, City-approved private land development projects, and Capital Improvement Program (CIP) projects. The City Engineer has the responsibility to ensure that construction of public improvements are in accordance with City standards and in compliance with City-approved plans and specifications. A copy of a descriptive list of development projects currently in construction and scheduled to continue construction activities in the 2019/2020 fiscal year is included as **Attachment 1A**. **Attachment 1B** includes a descriptive list of development projects currently in plan checking, which may commence construction activities in the 2019/2020 fiscal year. **Attachment 1C** includes Capital Improvement Program projects scheduled for construction activities in the 2019/2020 fiscal year.

ANALYSIS/DISCUSSION:

The Public Works Department prepared Request for Proposals No. 19-057 (the "RFP") to solicit proposals from professional firms to provide "On-Call" Construction Management, Inspection and Materials Testing Services. City staff released the RFP on November 29, 2018, with proposals due by January 03, 2019. A copy of the RFP is included as **Attachment 2**.

On January 03, 2019, The Public Works Department received 19 proposals in response to the RFP. **Table 1** below, is a list of the firms that submitted proposals to "On-Call Construction Management, Inspection and Materials Testing services" RFP in alphabetical order:

Table 1

| No. | Consulting Firm | Location |
|-----|---|----------------------|
| 1 | 4Leaf, Inc. | Newport Beach, Ca |
| 2 | American Engineering Laboratories, Inc. | La Habra, Ca |
| 3 | Berg & Associates, Inc. | San Pedro, Ca |
| 4 | CTE | Riverside, Ca |
| 5 | DHS Consulting, Inc. | Santa Ana, Ca |
| 6 | Dudek | Riverside, Ca |
| 7 | Elser Constructors, Inc. | Yucaipa, Ca |
| 8 | Falcon Engineering Services | Corona, Ca |
| 9 | Fountain Head Corporation | Anaheim, Ca |
| 10 | Interwest Consulting Group | Palm Springs, Ca |
| 11 | LAE Associates, Inc. | Placentia, Ca |
| 12 | Pacifica Services Inc. | Pasadena, Ca |
| 13 | PPM Group, Inc. | Fontana, Ca |
| 14 | S2 Engineering, Inc. | Rancho Cucamonga, Ca |
| 15 | Southstar Engineering | Riverside, Ca |
| 16 | TKE Engineering | Riverside, Ca |
| 17 | Transtech Consulting Services | Chino, Ca |
| 18 | Wallace and Associates | Corona, Ca |
| 19 | Willdan Engineering | San Bernardino, Ca |

Public Works staff assembled an evaluation panel for review of the written proposals. The evaluation panel consisted of City Staff, a City resident, a representative from Caltrans, and Consultant Project Manager.

- Hector Gonzalez, P.E., Principal Civil Engineer
- Lupe Camacho, Resident
- Siong Yap, P.E., Senior Transportation Engineer, Caltrans
- Ted Rigoni, P.E., Consultant Engineer/Project Manager

The Evaluation Panel, consisting of the aforementioned reviewers above, reviewed the proposals based on the format provided in the RFP consisting of:

- Project Understanding - (35 Points)
- Staff Qualifications - (30 Points)
- Firm Qualifications - (15 Points)
- Firm Resources - (20 Points)

Each proposal received a preliminary score based on the criteria identified above and the scores were tabulated to establish an initial short list of candidate firms. A copy of all proposals received are included as **Attachment 3** and a copy of the total Proposal Evaluation Scores are included as **Attachment 4**. Based upon preliminary scores, 14 of the 19 proposing firms were identified for further consideration; however, one firm withdrew from further consideration.

The interview stage consisted of an evaluation panel that included three professional engineers with expertise in the subject matter:

- Hector Gonzalez, P.E., Principal Civil Engineer
- Siong Yap, P.E., Senior Transportation Engineer, Caltrans
- Ted Rigoni, P.E., Consultant Engineer/Project Manager

Panelists reviewed determined final scores (**Attachment 5**) based upon the criteria outlined in the RFP, consisting of:

- Project Understanding - (35 Points)
- Staff Qualifications - (30 Points)
- Firm Qualifications - (15 Points)
- Firm Resources - (20 Points)

Based on the final scores, a clear ranking of the most qualified firms was established and the top six firms included (in alphabetical order):

- Berg & Associates, Inc.
- PPM Group, Inc.
- TKE Engineering, Inc.
- Transtech Consulting Services
- Wallace and Associates
- Willdan Engineering

In accordance with state law (California Government Code Section 4526) and Chapter 2.48.440 of the Rialto Municipal Code, City Council must make the selection for professional services on the basis of the firm's demonstrated competence and professional qualifications in accordance with specific evaluation criteria identified in the RFP; cost must not be included as criteria for rating these consultants.

Staff has prepared a proposed Agreement with the above listed six firms for the requested "On-Call" Construction Management, Inspection and Materials Testing and related services. The important aspects of the Professional Services Agreement for City Council consideration include:

- Contract Sum: Section 2.1 "Maximum Contract Amount" is written to reflect the "on-call" nature of the Agreement and the pass-through nature of the Construction Management and Inspection related services, in that there is no expressly defined scope of work or cost. This fact is reflected in Section 2.1 of the Agreement, which states:

"Construction Management, Inspection and Materials Testing Services Fees: The fees for Construction Management, Inspection and Materials Testing Services will be on a "pass-through" basis, whereby the City will collect permit fees from a developer sufficient to cover the Construction Management, Inspection and Materials Services fees charged by Consultant. Due to the fluctuation of factors controlling the pace of

development within the City of Rialto beyond City's control, the City provides no guarantee of the volume of Construction Management, Inspection and Materials Testing Services required of Consultant under the terms of this Agreement. Thus, the annual level of Construction Management, Inspection and Materials Testing Services required by this Agreement is unknown, and may significantly increase or decrease from year to year.

In acknowledgment of the unknown volume of Construction Management, Inspection and Materials Testing Services required hereunder, City and Consultant hereby acknowledge and agree that the Construction Management, Inspection and Materials Testing Services Fees portion of the Contract Sum will be limited to the budget established by the City Council and the total collective sum of individual Purchase Orders issued to Consultant pursuant to and during the Term of this Agreement; For the services rendered pursuant to this Agreement, the Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference."

- **Contract Term:** The proposed Agreements (included in **Attachments 6-1** through **Attachments 6-6**) may extend to a maximum length of five (5) years. Section 3.4 "Term" has been written to reflect an initial term of three (3) years, with two (2) additional one (1) year optional extensions, and states:

The term of this Agreement shall commence on July 1, 2019. Unless earlier terminated under the terms of this Agreement, this Agreement shall continue in full force and effect until July 1, 2022. At the sole discretion of the City, upon written notice to Consultant, the term of this Agreement may be extended for two additional one-year terms. Said notice shall be delivered prior to July 1, 2022, for the initial one-year extension (if granted); and prior to July 1, 2023, for the final one-year extension (if granted).

Based on identified strengths of each of the top six (6) selected firms, it is presumed that PPM Group, Inc.: Berg & Associates, Inc.: and Willdan Engineering will primarily fulfill CIP inspection activities while TKE Engineering, Inc., Transtech Consulting Services, and Wallace and Associates will cover development inspection activities; however, it is important to note that actual inspection activities may increase or decrease and alternate between development and CIP projects, based on the City's needs.

ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsible manner that meets the needs of the citizens and is a good place to do business.

Approval of this action also complies with the following City of Rialto General Plan Goals and Policies:

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Goal 4-1: Provide transportation improvements to reduce traffic congestion associated with regional and local trip increases.

Policy 4-1.1: Establish and maintain standards for a variety of street classifications to serve both local and regional traffic, including Major Arterial Highways, Major Arterials, Secondary Arterials, Collector Streets, and Local Streets.

Policy 4-9.3: Provide pedestrian-friendly and safety improvements, such as crosswalks and pedestrian signals, in all pedestrian activity areas.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and Professional Service Agreements.

FINANCIAL IMPACT:

Operation Budget Impact

The proposed agreements provide services to the City as “on-call” agreements, and have no specific contract sum. The scope of services required by these Agreements will vary dependent upon the number and type of development/CIP projects requiring the Consultant’s construction management, inspection and materials testing services. The annual level of “on-call” construction management, inspection and materials testing services required by these Agreements is unknown, and may significantly increase or decrease from year to year.

Development Inspection:

For development related inspection services, implementation of these agreements will be on a “pass-through” basis, whereby the City will collect inspection fees from a developer sufficient to cover the inspection fees to pay for the services provided by the shortlisted consultants. Upon receipt of payment from a developer, inspection services revenues will be recognized in the General Fund-Engineering Services Account No. 010-400-7262-7613/7614/7652, which will offset the expenditure for plan check services to be paid from the General Fund- Engineering Services Account No. 010-500-7262-2011. The draft 2019/2020 fiscal year budget identifies \$1,064,000 as estimated revenue to be received through permit fees charged to developers, out of which expenditures associated with the proposed Agreement with the consultants will be paid. Subject to City Council approval of the fiscal year 2019/2020, the proposed FY2019/2020 expenditure budget for inspection contract services is \$944,000, which is sufficient to cover the recommended initial Purchase Orders for a total of \$600,000 pursuant to the proposed Agreement as follows:

- PPM Group, Inc. \$100,000
- Berg & Associates, Inc. \$100,000
- Willdan Engineering \$100,000

- TKE Engineering, Inc. \$100,000
- Transtech Consulting Services \$100,000
- Wallace and Associates \$100,000

As the Agreements with the consultants will be multi-year agreements, an initial Purchase Order will be required for each of the subsequent two (2) fiscal years (2020/2021 for year 2 and 2021/2022 for year 3) in which the Agreements are active. Each successive fiscal year, staff will estimate inspection services revenue to be received based on a review of development activity, and will establish a corresponding estimate of inspection expenditures. Additionally, a new Project Manager position to oversee construction activities is included in the Department budget request and if this position is approved and filled, it will reduce the reliance upon consultants for Construction Management tasks resulting in a decrease in contractual expenditures for these services.

Capital Improvement Budget Impact

The costs for the proposed services related to the capital projects will be charged to each individual capital project account. City staff will request proposals from the consultants as capital projects become ready for construction and recommend Council approval of individual purchase order authorizations at the time of each construction contract award. Approval of the requested new Project Manager position to oversee construction activities will reduce reliance upon consultants for Construction Management tasks resulting in a decrease in contractual expenditures for these services.

LICENSING:

A Business license application and payment of a Business License tax at the Professional Service rate will be paid by each of the shortlisted consultants prior to execution of each Professional Service Agreement/Purchase Order.

RECOMMENDATION:

Staff recommends that the City Council:

- Approve On-call Professional Services Agreements (PSA) with PPM Group, Inc.; Berg & Associates, Inc.; Willdan Engineering; TKE Engineering, Inc.; Transtech Engineers; and Wallace and Associates for On-call Construction Management, Inspection and Materials Testing Services, as a multi-year agreement established consisting of an initial three (3) year term subject to two (2) additional one-year extensions.
- Authorize the issuance of Purchase Orders to PPM Group, Inc.; Berg & Associates Inc.; Willdan Engineering; TKE Engineering; Transtech Engineers; and Wallace and Associates in the amount of \$100,000 each for Construction Management, Inspection and Materials Testing Services.