



# City of Rialto

## Legislation Text

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For City Council Meeting [October 22, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Sean Grayson, Acting Public Works Director

Request City Council to Authorize a Purchase Order (PO) increase to the original Professional Services Agreement (PSA) with Wallace and Associates for On-Call Construction Management, Inspection and Materials Testing Services for the Remaining First half of Fiscal Year 2019/2020, in the Amount of \$275,000.

**(ACTION)**

### **BACKGROUND**

An important function of the Public Works Department is to perform construction management and inspection related to permitted work within the public right-of-way, City-approved private land development projects, and Capital Improvement Program (CIP) projects. The Public Works Director has the responsibility to ensure that construction of public improvements are performed in accordance with City standards and in compliance with City-approved plans and specifications.

### **ANALYSIS/DISCUSSION**

The City of Rialto entered into an agreement with Wallace and Associates (Wallace) for “On-Call” Construction Management and Inspection services on June 11, 2019. The term of the agreement was for one (1) year with two 1-year optional extensions (if granted). The amount of PO authorization for CM and Inspection Services was originally set at \$100,000. The City and Wallace are still within the first year of the original three-year term contract.

Wallace is continuously providing construction management and inspection services for a number of Capital Improvement and Land Development projects. A halt in these services for ongoing construction activities would result in significant impacts to new development and ongoing capital projects. **Table 1** includes a list of capital projects and **Table 2** is an updated list of land development projects for which Wallace is currently providing services since the approval of the PSA.

**TABLE 1: Capital Improvement Projects**

Citywide Roof Repair Project No. 180202	Additional work under construction
Public Improvements at Cactus Avenue & El Rivino Road	Under Construction

**Table 2: Land Development Projects**

<b>Land Development</b>	<b>Project Title</b>	<b>Status</b>
PPD 2017-0034	Rialto BioEnergy	Ongoing
PPD 2017-0040	LMS Transport	Ongoing
PPD 2017-0056	Cornell Avenue SFR (Tract Map 20085)	Completed
PPD 2017-0060	Miguel's Jr.	Completed
PPD 2017-0066	Renaissance Plaza (Off-Site)	Completed
PPD 2017-0066	Renaissance Plaza (On-site)	Completed
PPD 2017-0066	Cracker Barrel	Completed
PPD 2017-0068	CDRE Holdings 9, LLC	Ongoing
PPD 2017-0070	Agua Mansa Enterprise	Ongoing
PPD 2017-0077	Wheeler Trucking	Completed
PPD 2017-0079	B&B Plastics	Ongoing
PPD 2017-0082	Oakmont El Rivino (Panattoni)	Ongoing
PPD 2017-0095	Pacifica (Former Walmart Site)	Ongoing
PPD 2017-0100	Kline Ranch (Pegasus)	Ongoing
PPD 2017-0102	Renaissance Building 4	Ongoing
PPD 2018-0002	Cedar Hill Plaza	Ongoing
PPD 2018-0008	Frito Lay	Ongoing
PPD 2018-0019	Casmalia Investments	Ongoing
PPD 2018-0020	FFF, LLC	Ongoing
PPD 2018-0024	Industrial Way Pallet Yard	Ongoing
PPD 2018-0035	Wal-Mart (Pick Up & Go) Drive-Thru Service	Ongoing
PPD 2018-0038	IDI Logistics	Ongoing
PPD 2018-0039	Power Pro (Lord Constructors)	Completed
PPD 2018-0059	Ayres Hotel	Ongoing
PPD 2018-0069	Thrifty Oil Co. on Ayala Drive	Ongoing
PPD 2018-0084	Funco	Ongoing
PPD 2019-0003	Thinkwise Credit Union	Ongoing
PPD 2082R	Alere on Jurupa Avenue	Ongoing
PPD 2345	Casmalia Investments – Linden/Summit	Near Completion
PPD 2398	Shaw Properties	Completed
PPD 2400	Baseline Opportunity (Panattoni)	Completed
PPD 2415	Crestwood Communities (Tract Map 19977)	Near Completion
PPD 2423	2 Single Family Residential on Bloomington Avenue	Near Completion
PPD 2428	Renaissance Marketplace	Ongoing
PPD 2434	Prologis Building 5 on Tamarind Avenue	Completed
PPD 2435	Prologis Building 7 on Locust Avenue	Completed
PPD 2444	RC Hobbs (Tract Map 20009)	Completed
PPD 2453	Proficiency Capital/ MP Rialto	Ongoing
PPD 2502	CDREP, LLC	Completed
County Project	Bridge Point Rialto South	Ongoing
County Project	Cedar Avenue Technology Park	Ongoing

Staff recommends City Council to increase the existing Purchase Order (PO) by \$275,000 for a combined total of \$375,000 to continue Construction Management and Inspection services from Wallace and Associates and allow for continued uninterrupted services provided to the City.

## **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 responsive manner that meets the needs of the citizens and is a good place to do business.*

## **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report.

## **FINANCIAL IMPACT**

### **Operating Budget Impact**

With ongoing development activity, the City requires Wallace to perform inspection services for private development projects. Staff estimates total costs for these services to be approximately \$275,000 for the remaining 1<sup>st</sup> half of FY 2019/20. Funds are budgeted and available in General Fund Account No. 010-500-7262-2011 for the requested Purchase Orders increase with Wallace, resulting in a total cumulative amount of \$375,000 issued during FY 2019/2020.

Section 2.1 of the PSA identifies the compensation as follows:

*City and Consultant hereby acknowledge and agree that the scope of services required by this Agreement is subject to fluctuation due to factors controlling the pace of development within the City of Rialto beyond City's control; and no guarantee of the volume of Construction Management, Inspection and Materials Testing Services required of Consultant under the terms of this Agreement is made by the City. The annual level of Construction Management, Inspection and Materials Testing Services activities or related services required by this Agreement is unknown, and may significantly increase or decrease from year to year. In acknowledgement of the unknown volume of Construction Management, Inspection and Materials Testing Services required hereunder, City and Consultant hereby acknowledge and agree that there shall be no specific "Maximum Contract Sum." In acknowledgement of the unknown volume of Construction Management, Inspection and Materials Testing Services required hereunder, City and Consultant hereby acknowledge and agree that the "Maximum 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.*

**Implementation of the “on-call” agreement for development permits in is on a “pass-through” basis, whereby the City collects inspection fees from developers sufficient to cover the inspection costs.** Upon receipt of payment from an applicant, inspection fees for inspection services are recognized in General Fund- Engineering Services Account No. 010-400-7262-7613/7614/7652. These revenues will offset the expenditure for inspection services to be paid from

the General Fund- Engineering Services Account No. 010-500-7262-2011.

Capital Improvement Budget Impact

The costs for the proposed services related to the capital projects identified in Table 1 are included in the requested \$275,000.

Licensing

Prior to execution of the Purchase Order increase, the vendor shall renew their business license and pay a Business License tax at the rate of \$826.91, as well as Administration and State fees. The vendor currently has an active Business License scheduled to expire on November 27, 2019.

**RECOMMENDATION**

Staff recommends that the City Council:

- Authorize the issuance of a Purchase Order increase to Wallace and Associates in the amount of \$275,000 for "On-Call" Public Works Construction Management and Inspection Services.