



AGENDA MEMORANDUM

Action Item for the City Council Meeting of March 19, 2024

DATE: March 19, 2023

TO: Peter Zanoni, City Manager

FROM: Jeff H. Edmonds, P. E., Director of Engineering Services
jeffreye@cctexas.com
(361) 826-3851

Josh Chronley, CTCD, Assistant Director of Finance & Procurement
joshc2@cctexas.com
(361) 826-3169

Master Services Agreement Amendment 1
Staff Augmentation Services

CAPTION:

Motion authorizing Amendment No. 1 to a Master Services Agreement for Staff Augmentation Services to AG|CM of Corpus Christi in an amount not to exceed \$1,500,000.00, for a total contract value not to exceed \$3,000,000.00 with a two year extension supporting projects located Citywide with funding available from the Capital Improvements Program.

SUMMARY:

This motion approves Amendment No. 1 to a Master Services Agreement to perform as-needed Staff Augmentation Services addressing critical staffing needs experienced in Engineering Services to support delivery of the Capital Improvements Program.

BACKGROUND AND FINDINGS:

Engineering Services is charged with managing the delivery of the City's Capital Improvements Program. Successful implementation of these programs requires a properly staffed and trained team of program and construction professionals. The department has historically used a blend of in-house and contracted staff resources to accomplish its mission of delivering the City's capital improvement program.

The Engineering Services active construction portfolio currently has nearly 100 contracts with a total current contract value of approximately \$650 Million with over \$350 Million of unbilled value. Actions on the current agenda will increase those amounts by nearly \$200 Million and that backlog is expected to continue increasing rapidly and will probably exceed \$650 Million in unbilled value before the end of the fiscal year. It is difficult to staff up as quickly as the construction backlog is growing. A contract like the AG|CM MSA provides an alternative to rapidly respond to urgent staffing needs.

We are working to adjust our staffing levels and recruitment efforts in response to the increasing workload. It is difficult, however, to make those adjustments as quickly as our backlog is growing.

The Engineering Services Department has historically used a blend of in-house and contracted staff resources to respond to spikes in activity. The contract staff are managed in a very similar fashion to City Employees. The contracted personnel are expected to maintain regular business hours on their assigned days of work and to complete required deliverables in the same fashion as a City Employee performing in the same capacity. They are simply paid through the vendor rather than City payroll.

The MSA will be a task order driven contract. The funding will come from projects that are supported by contract employees in the same way that Engineering Services charges for our in-house staff's time. The task orders will be based on the hourly T&M rates listed in the contract rate schedule.

By retaining the services of AG|CM, staff can ensure that major CIP projects have a dedicated staff member. Some major construction projects that may be covered with staffing from this contract totals over \$300 million and include:

- Oso WRP Process Upgrades and Breakpoint Chlorination Facility Decommissioning--\$110 million
- O.N. Stevens Water Treatment Plant (ONSWTP) Raw Water Influent and Chemical Facilities -- \$86 million
- ONSWTP Pre-Sedimentation Basin Dredging--\$8.7 million
- Police Training Academy--\$21 million
- Fire Station #3--\$9.5 million
- Bill Witt Aquatic Center--\$10 million
- Yorktown Boulevard--\$20 million
- Flour Bluff Drive--\$14 million
- 2023 Residential Street Rebuild Program - \$24 million

COMPETITIVE SOLICITATION PROCESS

This professional services contract falls under statutory exemption and does not require a competitive solicitation. AG|CM specializes in helping organizations manage and staff large capital construction programs. They do not design or build projects but act solely as Owner's Representatives.

Organizations often have internal Project Management departments, such as Engineering Services, to oversee construction. Sometimes schedules and staffing deficiencies cause the entities to look externally for additional support. In these situations where workloads exceed internal capacity, AG|CM offers Staff Augmentation services to clients. They have frequently supported the City with staff augmentation services in the past.

AG|CM is a locally headquartered firm that has been a valued partner of the City since 1996. AG|CM provides a unique service offering in the local marketplace. This contract is being solely sourced to AG|CM in the interest of expediting access to these time-sensitive services and because of their specialized local service offering. A competitive solicitation would take several months to complete and AG|CM is currently providing these services in a cost-effective manner to the City.

ALTERNATIVES:

City Council could choose not to authorize amendment to the MSA but this will result in delays and increased costs for both design and construction.

FISCAL IMPACT:

The fiscal impact is an amount of \$1,500,000.00 to be funded through the Capital Program and Bond Program Funds.

FUNDING DETAIL:

Funding will be available within the budgets of the supported capital projects.

RECOMMENDATION:

Staff recommends approval of this motion to award Amendment No.1 to the current AG|CM MSA contract.

LIST OF SUPPORTING DOCUMENTS:

AE Contract Template