



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 9, 2018
Action Item for the City Council Meeting of January 16, 2018

DATE: January 3, 2018

TO: Margie C. Rose, City Manager

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<p style="text-align: center;"><u>Professional Services Agreements</u> Geotechnical and Construction Materials Testing</p>

CAPTION:

Motion authorizing the City Manager, or designee, to execute three (3) separate two-year Master Services Agreements (MSAs) with not-to-exceed amounts of \$800,000 each with Professional Service Industries, Rock Engineering & Testing Laboratory, and Tolunay-Wong Engineers for geotechnical engineering and construction materials testing. The aggregate not-to-exceed value of these three contracts is \$2,400,000.

PURPOSE:

The purpose of this agenda item is to obtain authority to execute MSAs with Professional Service Industries, Rock Engineering & Testing Laboratory, and Tolunay-Wong Engineers for \$800,000 each.

BACKGROUND AND FINDINGS:

Proper design and quality control are necessary to ensure the longevity of construction projects. Geotechnical testing during the design phase helps ensure that designs are appropriate for existing soil conditions. To achieve proper quality control, it is essential to test construction materials to ensure compliance with the design specifications. The investment in geotechnical engineering and materials testing pays large dividends in terms of post-construction project longevity. Testing costs typically represent less than 2% of the total construction cost. Testing is a strategic investment that helps capital infrastructure projects avoid premature distress and failure.

An MSA is type of contract where work is accomplished by multiple task orders under a blanket set of

terms and conditions. Engineering Services is increasingly using MSA's for professional services. The MSA allows the City to individually negotiate Task Orders for discrete scopes of work under a blanket set of terms and conditions. Historically, individual testing contracts have been executed for each capital project. Engineering believes that using MSA's will be a more efficient means of procuring Geotechnical and Materials Testing services. By using MSA's and managing each project as a task order under the MSA, overhead and administrative effort is reduced. The contracts are limited by the stipulated contract term and the not-to-exceed contract amounts.

These MSAs will provide for geotechnical investigations during the design phase and materials testing during construction. The proposed MSA's are for a two-year term with no extensions or renewals. Three firms were selected to ensure adequate capacity and responsiveness to support the Capital Improvement Program (CIP), Bond Programs and Operational Projects for streets, utilities, airport, marina, facilities, etc. Individual task orders will be developed with scope and fee for each Task Order that will be administratively authorized by City Manager, or designee.

The MSA's have not to exceed amounts of (\$800,000). That amount was based on approximately 1% of the projected construction budgets for planned CIP, Bond and operational projects. Actual fees will be negotiated per Task Order (TO) based on established contract rates.

ALTERNATIVES:

1. Execute Master Services Agreements as proposed. (Recommended)
2. Do not execute Master Services Agreements.

OTHER CONSIDERATIONS:

Professional Service Industries, Rock Engineering & Testing Laboratory, and Tolunay-Wong Engineers were selected for geotechnical and construction materials testing by RFQ No. 2017-01 dated April 7, 2017.

CONFORMITY TO CITY POLICY:

The MSAs and selection process comply with the Professional Procurement Act and City Policy. Professional Service Industries, Rock Engineering & Testing Laboratory, and Tolunay-Wong Engineers were selected based upon qualifications, wide working knowledge of applicable project fundamentals, and understanding of project requirements.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

N/A

FINANCIAL IMPACT:

☒ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2017-2018	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Budget		\$1,260,000	\$1,260,000	\$2,520,000
Encumbered/Expended Amount				
This item		1,200,000	1,200,000	2,400,000
Future Anticipated Expenditures This Project		60,000	60,000	120,000
BALANCE		\$0	\$0	\$0

Fund(s): Various as determined by project type

RECOMMENDATION:

City Staff recommends approval of three MSAs with Professional Service Industries, Rock Engineering & Testing Laboratory, and Tolunay-Wong Engineers in the amount of \$800,000 each for the duration of the individual agreement.

LIST OF SUPPORTING DOCUMENTS:

Project Budget
Location Map
Master Services Agreement Professional Service Industries
Master Services Agreement Rock Engineering & Testing Laboratory
Master Services Agreement Tolunay-Wong Engineers
Presentation