



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 14, 2018
Action Item for the City Council Meeting of August 21, 2018

DATE: August 3, 2018

TO: Keith Selman, Interim City Manager

THRU: Mark Van Vleck, Assistant City Manager
markvv@cctexas.com
(361) 826-3082

Valerie H. Gray, P.E., Executive Director of Public Works
valerieg@cctexas.com
(361) 826-3729

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

Professional Services Contract
Bond & Capital Improvement Program Support

Motion to authorize execution of a professional services contract with R.H. Shackelford, Inc. (RHSI) of Corpus Christi, Texas for a period of six (6) months in the amount of \$352,526 with one (1) optional six-month renewal to be administratively awarded for a total contract cost not to exceed \$705,052 to support launching the Bond 2018 Program, overseeing the *Harbor Bridge Replacement Project (HBRP)* Utility Relocations, and completing prior Bond Programs (2012, 2014 & 2016) and on-going Capital Improvement Program (CIP) projects.

PURPOSE:

The purpose of this Agenda Item is to obtain contract authority with RHSI for continued engineering and technical management support for the City's capital improvement program including execution of the annual CIP, wrapping up the Bond 2012, 2014 and 2016 projects, overseeing the HBRP Utility Relocations Project, and successfully launching the Bond 2018 Program.

BACKGROUND AND FINDINGS:

Historically, Engineering Services has used a combination of in-house and contract staff resources to accomplish its mission of successfully delivering capital projects for all City departments. Contract resources have allowed the department to adjust quickly to changing workload demands and to gain access to skills and experience that could not otherwise be obtained. RHSI has extensive experience assisting municipal governments with project delivery and has helped the City frequently since 2008.

Since 2015, the Engineering Services Department has made significant improvements to overall department operations and effectiveness. RHSI has been a key contributor in restructuring Engineering Services and helping to make the necessary operational improvements. During that period, Engineering has gotten stalled programs moving forward, greatly reduced turnaround times on key business actions such as change order and pay invoice processing. During that period, key financial metrics have improved such professional service fees as a percentage of construction cost and the overall change order percentage, which is now under 2% of aggregate portfolio value.

Currently, the City has over 200 capital improvement projects (streets, utilities, and facility related) currently under design or construction, with a total contract value exceeding \$350M. This work includes the remaining projects for Bonds 2012, 2014, and 2016, as well as, the annual CIP. There is an additional \$52M of estimated City Utility Relocation work to be executed by TXDOT's project developer for the *HBRP*. RHSI is leading the Utility Relocation construction oversight effort to ensure that the project developer adequately addresses the City's interests.

Currently, Engineering Services has 63 total budgeted positions with only 13 vacancies (21%). Since 2015, Engineering Services made significant efforts to reduce our reliance on contract positions. Management has interviewed over 96 applicants for various departmental vacancies. Of those 96 applications screened, 22 offers were made but only 13 candidates accepted permanent positions with the City. During that time period, the department also lost 12 full-time employees. There has also been turnover with staff that was working under contract both in the project management area and construction inspections. Recruitment and retention continues to be a challenge for the department.

In 2016, City Council approved a professional service agreement with RHSI for six (6) positions to help address critical vacancies in Engineering Services. Since then, the department has successfully recruited and replaced four (4) of those positions with permanent City employees. The two (2) remaining positions are critical senior positions that remain vacant due to the challenge of identifying qualified applicants with sufficient relevant experience. Both positions are leadership roles - one in Project Management and one primarily focused on Utility-related Construction.

Engineering Services will continue to recruit for those two (2) key positions. Ideally this contract would also allow for some overlap and transition to permanent staff when good candidates are hired with the knowledge, experience, and leadership ability and to successfully assume those roles and maintain the positive momentum of program execution.

This item provides for a six-month contract with one optional six-month extension for the continuation of professional services support of *two (2) senior licensed Professional Engineers with over 60 years of combined experience* for the following primary areas of responsibility:

- **LEAD PROGRAM MANAGEMENT** – Provide one senior licensed engineer to lead, train and mentor project management staff to maximize capabilities for engineering services and contract management. Duties primarily include assisting with Architect / Engineer contract negotiations, design coordination and oversight to ensure strict cost and schedule controls and development of council briefing materials that are complete, concise, and logical. Duties also include maintaining continuity of on-going project execution and overseeing the successful launch of the Bond 2018 Program.
- **UTILITY CONSTRUCTION MANAGEMENT** – Provide one senior licensed engineer with extensive experience administering and controlling heavy construction projects. Duties include leading the construction management team and inspections for the *HBRP* Utility Relocation projects expected to total over \$50 million. Primary duties include oversight, review, coordination and approval of multiple individual *HBRP* Utility Relocation project

“packages”. Services also include coordination of TXDOT, TXDOT’s “Developer”, multiple construction subcontractors, and City Utilities to minimize costs and service disruption to local businesses and residents. Additionally, this individual will provide continued overall support for CIP program projects, including claims, dispute resolution, change order negotiations and litigation.

ALTERNATIVES:

1. Authorize execution of the Professional Services Contract.
2. Do not authorize the Professional Services Contract. (Not Recommended)

OTHER CONSIDERATIONS:

Staff will continue to evaluate and amend current recruiting strategies to successfully fill Department vacancies.

CONFORMITY TO CITY POLICY:

This conforms to city policy for procurement of professional services.

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

Engineering Services Department

FINANCIAL IMPACT:

X Operating ☐ Revenue X Capital ☐ Not applicable

Fiscal Years 2017-2018	Current Year	2018-2019	TOTALS
Line Item Budget	\$352,526	\$352,526	\$705,052
Encumbered/Expended Amount			
This item	\$352,526		\$705,052
Future Anticipated Expenditures		\$352,526	
BALANCE	\$352,526	\$0.00	\$0.00

Fund(s): Street and Utility CIP

Comments: The contract will be charged to various projects in accordance with hours worked in support of each project.

RECOMMENDATION:

City staff recommends approval of the contract to support ongoing major projects and programs.

LIST OF SUPPORTING DOCUMENTS:

Presentation
Contract