

AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MANHATTAN BEACH AND
HDR ENGINEERING, INC.

This Amendment ("Amendment") to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation ("City") and HDR Engineering, Inc., a California corporation ("Consultant") (collectively, the "Parties") is hereby entered into as of this 2nd day of February, 2016 ("Effective Date").

RECITALS

- A. On June 7, 2012, the City and Consultant entered into an agreement for professional services for the Consultant to provide community relations and design professional services related to the Sepulveda Bridge Widening Project ("Original Agreement");
- B. On or about January 6, 2015, the Parties entered into Amendment No. 1 to the Original Agreement. The Original Agreement, as amended by Amendment No. 1, is referred to herein as the Agreement;
- C. On July 6, 2015, in response to a request from City for additional environmental and professional surveying services, Consultant submitted a proposal for a contract change order in the amount of \$148,472, which proposal was subsequently approved by the City;
- D. The Parties now desire to amend the Agreement to allow Consultant to provide additional specified services to the City, and to allow the City to provide compensation for the services provided, and for changes to plans and specifications.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereby amend the Agreement as follows:

Section 1. Section 2 of the Agreement is hereby amended to read:

"This Agreement shall go into effect on June 5, 2012, contingent upon approval by the City Council, and the Consultant shall commence work after a written notice to proceed is issued by the City's Contract Manager. This Agreement shall terminate on December 31, 2018, unless sooner terminated by the City as provided for herein."

Section 2. Section 4(a) of the Agreement is hereby amended to read:

(a) "City agrees to compensate Consultant, and Consultant agrees to accept in full satisfaction for the services required by this Agreement an amount not to exceed \$2,264,001 as set forth in Exhibit B and in approved change orders ("Compensation"). The Compensation shall constitute reimbursement of Consultant's fee for the services as well as the actual cost of any equipment, materials, and supplies necessary to provide the services (including all labor, materials, delivery, tax, assembly, and installation, as applicable). In no event shall the Consultant be paid more than \$2,264,001 during the term of this Agreement."

Section 3. Exhibit A (Scope of Services) and Exhibit B (Compensation) of the Agreement are hereby amended to include the additional services and fees described in the letter from Consultant dated December 31, 2015, attached hereto and incorporated herein by this reference.

Section 4. Except as specifically amended by this Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 2 on the day and year first shown above.

CONSULTANT
HDR Engineering, Inc.



By: Thomas T. Kim, PE

Its: Sr. Vice President

By:

Its: _____

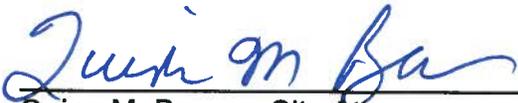
CITY OF MANHATTAN BEACH

Mark Danaj, City Manager

ATTEST:

Liza Tamura, City Clerk

APPROVED AS TO FORM:



Quinn M. Barrow, City Attorney

APPROVED AS TO CONTENT:

Bruce Moe, Finance Director

Tony Olmos, Director of Public Works



December 31, 2015

Mr. Tony Olmos
Public Works Director
City of Manhattan Beach
3621 Bell Ave
Manhattan Beach, CA 90266

**Subject: Sepulveda Bridge Widening Project – Amendment No. 2
Additional Project Management, Right-of-way, Utility Relocation and
Structural Design Services**

Dear Mr. Olmos:

HDR is requesting additional compensation by means of a contract change order to complete work for the Sepulveda Bridge Widening Project (Project). This work, totaling \$147,989 consists of additional professional services to continue project management, right-of-way coordination, and utility coordination services resulting from the extension of the Project schedule beyond the timeframe previously anticipated under the original contract and Amendment No. 1, which was executed on January 7, 2015, and additional structural design services due to a revision in the bridge structure aesthetics.

The additional work includes the following tasks:

Task	Description	Amount
1	Project Management, Meetings & Administration	\$90,969
2	Right-of-way and Utility Coordination	\$42,069
3	Additional Structural Design Work	\$14,950
Total		\$147,989

Below is a summary of the background and justification for additional compensation related to each of the items listed above:

Background and Justification

After several months of negotiations, Amendment No. 1 for the Project was submitted to the City of Manhattan Beach (City) on December 11, 2014, and subsequently approved by City Council on January 6, 2015. The December 2014 Project Schedule served as the basis for the development of Amendment No. 1, including the request for additional budget for on-going project management services.

The December 2014 Project Schedule anticipated the submittal of the 95% PS&E package by February 27, 2015. The team obtained the Caltrans utility potholing permit on January 9, 2015. The team was ready to begin potholing and the geotechnical investigation work, and was under the understanding that the permit to enter into the adjacent Mall property was a formality since the City was already in discussions with RREEF America, the owner of the Mall, about their redevelopment plans. Discussions with the Mall started as early as October 2014 (when DigAlert was attempting to



access the Project site to “mark” the potholing locations). In order to meet this submittal date, the Project team would have to conduct the geotechnical field investigations and borings to finalize the structural design of the bridge in addition to utility potholing to positively locate known underground utilities prior to the start of field exploration activities. The design team continued to move forward with preparation of the 95% PS&E contingent on the timing of the geotechnical borings and completion of the materials and foundation reports.

Since access to the Project site can only be obtained from the adjacent Mall parcel, the City initiated an Access Agreement with RREEF America to gain the necessary rights to enter the property and conduct the required field exploration work in addition to environmental sampling. The terms of the Access Agreement are based on the December 2, 2014 adoption of the City Resolution, which dictates the conditions for redevelopment of the Mall property and the required dedications required for the Sepulveda Bridge Project, including access to the bridge, required right-of-way dedications, temporary and permanent easements, and construction staging areas.

The Access Agreement between the City and RREEF America was executed by both parties on May 18, 2015, and HDR was subsequently notified on May 27, 2015. Based on the execution of the Access Agreement, HDR immediately commenced with scheduling and mobilizing the utility potholing efforts and the geotechnical explorations necessary to finalize the 95% PS&E submittal.

Table 1, below, provides a comparison of the several key milestone dates between the December 2014 Project Schedule, which served as the basis for Amendment No. 1, and the December 2015 Project schedule – the basis for this Amendment.

Table 1 – Project Milestone Comparison

Project Milestone	December 2014 Schedule	December 2015 Schedule	Months Extended
Utility Potholing (Caltrans permit obtained on 01/09/15)	01/13/15	07/06/15	6 months
Geotechnical Reports	02/12/15	08/14/15	6 months
95% PS&E Submittal	02/27/15	08/14/15	6 months
100% PS&E Submittal	04/24/15	12/09/15*	7 months
RW Certification & Ready-to-List	07/23/15	TBD**	7+ months
* Submittal of the Final Bid Package is currently pending review comments from the City and Caltrans on the 100% PS&E submittal, and resolution of additional structural aesthetic treatments and agreement of landscaping concepts requested by RREEF America.			
** RTL Date is contingent on successful right-of-way negotiations with property owners and completion of the Final Bid Package.			

As indicated in Table 1, the Project Schedule has been extended approximately six months due to the additional time required to complete the aforementioned City Resolution with RREEF America and subsequent negotiation and execution of the Access Agreement needed to initiate and mobilize utility potholing and geotechnical exploration efforts to produce the 95% Design Plans.

The scope of work and budget requested under Amendment No. 1 anticipated submittal of the 95% PS&E by February 27, 2015 for budgeting purposes. The Project has now achieved the 100% PS&E milestone with the submittal of the 100% PS&E on December 9, 2015. The extension of the Project Schedule has resulted in the need for additional budget for on-going project management; Project Development Team (PDT) meetings; subcontract management; Caltrans coordination; and project administration (see Task 1, below).

The Project is also at a position to finalize the utility relocation and right-of-way requirements based on ongoing coordination with Caltrans, affected utility companies, and ongoing negotiations with the adjacent property owners affected by the Project (see Task 2, below). In addition, as further

summarized under Task 3, below, the number of structural plan sheets originally estimated has increased due to revisions requested by the adjacent property owner to include additional structural aesthetics and details to the bridge structure and barrier.

Basis of Amendment

Task 1: Continued Project Management Services

The Project schedule was extended due to unforeseen events that were not accounted for when Amendment No. 1 was negotiated with the City - resulting in a cumulative delay of approximately six to seven months.

- City Resolution with RREEF America - On December 2, 2014, the City Planning Department adopted a resolution dictating the terms for redevelopment with RREEF America for the adjacent Manhattan Village Shopping Center. This Resolution served as the basis for negotiating the Access Agreement and dedications required from the Mall to access and construct the Project. HDR was notified of the adopted Resolution during the March 19, 2015 PDT Meeting. (3.5 months)
- Access Agreement with RREEF America - The Mall's Access Agreement was adopted by both parties on May 18, 2015 - the Project schedule was extended due to ongoing negotiations and coordination with the Mall representatives to gain access to the Project site to conduct utility potholing, geotechnical borings, and environmental sampling efforts. (6 months)
- Utility Potholing - HDR was notified of the executed Access Agreement on May 27, 2015. Due to the time required to mobilize field crews, utility potholing commenced on June 25, 2015, and the final report was submitted on July 6, 2015 - allowing the geotechnical field crews to be scheduled and mobilized. (6.5 months)
- Geotechnical Field Explorations - Geophysical surveys were initiated on July 6, 2015, immediately after the completion of the utility potholing effort to locate final drilling locations and potential conflicts prior to the start of drilling. Field exploration efforts were completed on July 20, 2015. Geotechnical reports supporting the preparation of the 95% PS&E were completed by August 21, 2015. (7 months)
- Phase I ESAs - Caltrans required the preparation of three additional Phase I ESAs to encompass the adjacent private properties. A notice-to-proceed from the City was provided on July 14, 2015. The reports were initiated on July 20, 2015, and were completed August 25, 2015. The Phase I Reports were submitted to Caltrans on September 16, 2015. Completion of the reports requires both an interview with the property owners and completion of questionnaires. Adequate time was provided to the property owners to respond to the questionnaire and allow access to the property for inspection. (2 months)
- Phase II Environmental Investigation - Based on the results of the original Phase I ESA completed for the highway corridor, Phase II work was determined to be required. A notice to proceed was provided by the City on July 14, 2015. The Phase II sampling effort was completed on August 5, 2015, and the draft report was submitted to Caltrans on September 25, 2015. Per Caltrans request, additional time was required to validate the results of the environmental sampling effort by a third party. Caltrans required the preparation of a detailed workplan to determine the location, number, and depth of sampling. Various iterations were required by Caltrans to receive approval. Frequent coordination was required with the Mall representatives to obtain the necessary access to their property. Caltrans' comments were received on October 29, 2015. The Phase II Report is now complete. (3 months)

As a result of the extension of the Project schedule, the following additional meetings and coordination effort were required to support project development:

- Additional PDT meetings and meetings with Caltrans discipline leads such as right-of-way and environmental staff. Additional time was required to coordinate meetings/conference calls, develop agendas and meeting minutes, prepare exhibits, and travel time for in-person meetings.
- Support the City with negotiations with RREEF America to draft, edit, and finalize the Access Agreement. Effort required continued coordination with Mall representatives and multiple conference calls, e-mail correspondence, and development of exhibits and graphics – requiring various updates and revisions requested by RREEF America.
- Coordination with the City and the Mall representatives regarding the production of plats and legals to support the Access Agreement such as the lower parking lot access, temporary and permanent construction easements, and dedication areas. Additional efforts also required to coordinate project aesthetics and landscaping with RREEF America and their consultants. These efforts required developing and conducting multiple revisions to right-of-way requirements mapping as well as numerous exhibits.
- Additional coordination effort required to support negotiations with adjacent property owners including 3500 Sepulveda Boulevard and Chevron USA.
- Assist City to develop Caltrans maintenance and cooperative agreements required for the Project in addition to negotiations with Caltrans to support the transfer of easements to Caltrans after project completion, and required multiple permits to support geotechnical and environmental sampling efforts.

The total amount of additional budget requested to complete the work associated with Task 1 is \$90,969. The attached fee proposal provides a detailed breakdown of HDR's costs, indicating the estimated number of hours and associated fee for each work element, in addition to limitations and assumptions provided below.

Task 2: Continued Right-of-way and Utility Coordination Services

This amendment is requested to incorporate scope changes to support ongoing right-of-way and utility coordination services required for the Project as follows:

- Acquisition - provide additional coordination with property owners and stakeholders, including RREEF America, Chevron, 3500 Sepulveda Boulevard, City of Manhattan Beach, City Attorney and Caltrans. Attend additional meetings with the City, Caltrans and property owners. Provide additional coordination with Caltrans Right of Way staff regarding non-standard Caltrans forms for Temporary Construction Easements and Dedications to meet Caltrans requirements.
- Appraisal Review - provide additional appraisal review services for the 3500 Sepulveda Boulevard Parcel.
- Right-of-Way Certification – Continue delivery of right-of-way services and obtain right-of-way certification approval from Caltrans District 7. HDR will prepare the necessary documents to deliver the submittal packages for Caltrans review and approval. Tasks required to obtain approval include:
 - Prepare Right of Way Certification packages;
 - Prepare Right of Way Certification Binders, including all pertinent acquisition documents for each parcel;
 - Participate in coordination meetings with City of Manhattan Beach, Caltrans, and utility owners; and
 - Create Right of Way requirements mapping per Caltrans formatting for inclusion in the Certification Package.

- **Utility Coordination** - Provide additional coordination, research, and project support with the utility owners. The original scope of work identified two (2) utility relocations within the Project, City of Manhattan Beach water line and Southern California Edison. Based on the notification letters sent to the potential utility companies with possible conflicts, there are three (3) utility companies requiring relocations: Southern California Gas, Southern California Edison and City of Manhattan Beach water.

The total amount of additional budget requested to complete the work associated with Task 2 is \$42,069. The attached fee proposal provides a detailed breakdown of HDR's costs, indicating the estimated number of hours and associated fee for each work element, in addition to limitations and assumptions provided below.

Task 3 – Additional Structures Aesthetics Work and Detailing

At the request of the City, HDR will develop additional aesthetic treatment details and finishes for the traffic side of the bridge and roadway non-standards barriers. This effort will require additional coordination with City, Caltrans, and adjacent property owners, and detailing sheets to modify the existing design beyond that which was reasonably foreseeable with the original scope/budget developed.

The total amount of additional budget requested to complete the work associated with Task 3 is \$14,950. The attached fee proposal provides a detailed breakdown of HDR's costs, indicating the estimated number of hours and associated fee for each work element, in addition to limitations and assumptions provided below.

Assumptions

The assumptions listed below are in reference to the amendment items listed above:

1. Any delays in the Project schedule due to lengthy and excessive negotiations and/or condemnation with the adjacent private property owners that would affect project development and right-of-way certification efforts after this amendment is approved are not covered in this amendment. It is assumed that HDR and the City will come to a reasonable agreement as to the scope and fee for the additional effort.
2. New Caltrans requirements with regard to acquisition of the required right-of-way for the Project including transfer of the right-of-way to Caltrans in fee vs. the current approach to transfer in easement are not covered in this amendment.
3. Budget and schedule assumptions are predicated upon Caltrans' acceptance of the results of the Phase II environmental sampling results completed to-date, and additional environmental sampling will not be required by Caltrans in support of the transfer of right-of-way to Caltrans in the future.
4. No additional sheets will be required as part of the PS&E package.
5. The current budget for Bid and Construction Phase Support was negotiated during development of the original (base) contract and is potentially insufficient given the complexity of the bridge structure and estimated construction duration of 1.5 years. It is assumed that HDR and the City will assess the adequacy of the budget at the time of bid award and come to a reasonable agreement as to the scope and fee for efforts beyond the original budget, if necessary.
6. If the Project is put on hold for an extended period of time and Caltrans standards, policies and procedures change in that period of time - this amendment does not include the level of effort needed to bring the Project up to the current standard.

HDR appreciates your consideration of this request and looks forward to our continued effort in working together to successfully deliver this Project. Please do not hesitate to contact me if you have any questions regarding this budget amendment request or would like to discuss in greater detail.

Sincerely,

HDR ENGINEERING, INC.



**Girair Kotchian, PE
Project Manager**



**Thomas T. Kim, PE
Senior Vice President**

**CC: File
Attachment 1: Fee Proposal**

