



July 10, 2017

Mr. Prem Kumar
City Engineer
City of Manhattan Beach
3621 Bell Ave
Manhattan Beach, CA 90266

**Subject: Sepulveda Bridge Widening Project – Amendment No. 4
Additional Project Management and Right-of-Way Services**

Dear Mr. Kumar:

HDR is requesting additional compensation by means of a contract change order to continue work for the Sepulveda Bridge Widening Project (Project). This work consists of additional professional services for general project management support for the overall project in addition to continued right-of-way services for the remaining acquisitions and ongoing negotiations with the property owners and tenants affected by the Project. The duration for this effort is estimated to be 12 months.

The additional work includes the following tasks:

Task	Description	Amount
1	General Project Management Support Services	\$37,614
2a	Right-of-way Services - Consequential Non-Residential Relocation	\$30,746
2b	Right-of-way Services – Resolution of Necessity (RON) Non-Residential Relocation Support (In addition to Task 2a)	\$28,640
Total		\$97,000

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

Background

Ongoing negotiations with the property owner and tenants of 3500 Sepulveda Boulevard have resulted in extension of the project schedule beyond the timeline anticipated. The proximity of the proposed improvements with regard to the various businesses adjacent to the Project coupled with the specific tenant interests recently identified will require additional time and effort to negotiate and finalize.

To-date, HDR has supported the City to complete the following right-of-way activities:

- Negotiated with RREEF and US Bank to finalize the Access Agreement for the adjacent Manhattan Village Shopping Center (Mall) - the Agreement has been

executed providing access to the project site concurrent with the Mall's reconstruction plans

- Executed 11 easements with the Manhattan Village Mall development; their entitlement required the property owner to dedicate six (6) Temporary Construction Easements and five (5) Caltrans Highway Easements
- Donation from Chevron USA for one (1) Caltrans Highway Easement, which has been executed
- Received an Irrevocable Offer to Dedicate (IOD) for one (1) Caltrans Highway Easement – 3500 Sepulveda Blvd.
- Preparation of Temporary Construction Easement (1), Caltrans Highway Easement (1), and Caltrans Maintenance Easement (1) for 3500 Sepulveda Blvd.
- Initiated negotiations with the Tin Roof Restaurant and Innovative Fertility Center

The remaining right-of-way activities for the Project are related to the 3500 Sepulveda Blvd. property, as follows:

- Complete the noise mitigation negotiations with the building owner
- Execute the three Caltrans easements listed above – this effort is currently on-hold pending the outcome of the noise mitigation and tenant negotiations
- Finalize the personal property relocations for the Tin Roof Restaurant
- Negotiate the relocation of the Innovative Fertility Center
- Complete negotiations to locate a Temporary Storage Container within the adjacent US Bank parking lot or the 3500 Sepulveda Blvd. parcel to store personal property items from the Tin Roof Restaurant during construction.

Once all property rights/agreements have been finalized, the right-of-way certification process with Caltrans will be completed in preparation to list the Project for construction.

Since the inception of the Project, the City has advanced a voluntary negotiation process in good faith to obtain the necessary rights to construct the Project. These negotiations have proceeded in accordance with the Environmental Commitment Record (ECR) developed in 2013 and approved by Caltrans during the prior Environmental Phase.

Change Order Request

As of the January 2017 reporting period, the right-of-way certification for the Project was anticipated to be completed by April 2017. However, it is anticipated that the remaining negotiations with the property owner and building tenants for 3500 Sepulveda Blvd., noted above, will require additional time to finalize. Due to the anticipated schedule extension, the City is considering the following two options for this property:

1. Continue voluntary negotiations with the property owner and building tenants - which does not establish a set time limit to acquire the property rights; or
2. Initiate a Resolution of Necessity and utilize the eminent domain process to acquire the necessary property rights.

Specific efforts corresponding with each option are further discussed below.

Task 1: General Project Management Support Services

An increase in budget is requested to continue ongoing project management activities required due to the extension of the project schedule, as follows:

- Manage and coordinate team/subconsultant progress and submittals, as needed
- Support the City with on-going coordination with Caltrans and Metro
- Conduct various correspondences and meetings with City staff, City Attorney, and Caltrans staff, including conference calls, e-mails, and in-person meetings, as required, to support project development and to RTL (Ready-to-List) the Project
- Attend additional meetings with Caltrans discipline leads, as required
- Prepare Monthly Progress Reports and Invoices

The total amount of additional budget requested to complete the work associated with Task 1 is \$37,614. 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 the limitations and assumptions provided below.

Task 2: Right-of-Way Services

An increase in budget is requested to continue the outstanding right-of-way activities for the Project identified above. As requested by the City, the fee proposal was developed based on the two options presented. For estimating purposes, it is assumed that the Fertility Center will be relocated to a comparable location.

Task 2a - Consequential Non-Residential Relocation - HDR will continue to provide the following relocation services on an as-needed basis:

- Support the City with on-going negotiations with adjacent property owners
- Coordinate with the business owners to ascertain relocation needs
- Inform business owners of available relocation assistance services and benefit and explain the relocation process
- Prepare notices under the direction of the City and deliver required notices, which may include Informational Statements, Notices of Displacement, 90-Day Notices to Vacate, and other notices, as appropriate
- Provide on-going relocation advisory assistance to business owners
- Provide field surveillance and documentation of business relocations, when required
- Provide business owners with referrals to comparable business locations and assist in any planning and/or permitting issues
- Negotiate with business owner for fixture, furniture and equipment (FF&E) as may be required
- Obtain certificate of abandonment vacancy inspection and submit all the claims to City
- Prepare specifications for the move and inventory of personal property, coordinating with property owner to assure that there is no dispute with property owner, if the owner is not business owner
- Obtain minimum of two bids from movers that are suited to the type of business being relocated
- Monitor the actual move to a replacement site and re-establishment activities, as necessary
- Submit all claims with backup documents for City review, approval and payment processing
- Implement and comply with Uniform Act guidelines

The total amount of additional budget requested to complete the work associated with Task 2a is \$30,746. 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 the limitations and assumptions provided below.

Task 2b - Resolution of Necessity Non-Residential Relocation Support – In addition to the services listed under Task 2a, HDR will provide the following relocation services to support the Resolution of Necessity process:

- Provide ongoing consultation services, attend meetings with City staff, City Attorney, and property owners, as required
- Assist City and City Attorney with potential claim for loss of business goodwill
- Provide relocation advisory assistance with the tenants
- FF&E coordination
- Support City with preparation of the RON hearing and notices
- Review all claims with backup documents, make recommendations for payments

HDR will deliver the following items to the City:

- Copies of all notices, claim forms, justification, and backup documentation
- Progress status reports
- Provide copies of all moving cost estimates
- Electronic copies of all documents upon closeout

The total amount of additional budget requested to complete the work associated with Task 2b is \$28,640. 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 the limitations and assumptions provided below.

Assumptions

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

1. Services encompassed with this amendment would be delivered on a time and materials basis up to the amendment limit. It is assumed that HDR and the City will come to a reasonable agreement as to the scope and fee for any additional effort beyond the amendment.
2. For the purposes of this amendment, due to various pending decisions, the timeline for completing the remaining tasks is anticipated to take an additional one year from the date this request is executed.
3. For estimating purposes, it is assumed that the Innovative Fertility Center will be relocated to a comparable location.
4. Any further delays due to negotiations 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.
5. If the Project is put on-hold for an extended period of time and Caltrans standards, policies and procedures further change in that period of time, this amendment does

not include the level of effort needed to bring the design plans up to the new standards.

6. HDR's scope currently covers engineering services to support the City with regard to advertising and bidding the project. Services to support the project during construction 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 this additional effort.

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 A. Kotchian, PE
Project Manager



Thomas T. Kim, PE
Senior Vice President

CC: File

Attachment 1: HDR Fee Proposal

ATTACHMENT NO. 1 - AMENDMENT NO. 4 FEE PROPOSAL

City of Manhattan Beach
Sepulveda Boulevard Widening Project
Supplemental PA/ED and PS&E

HDR	Hourly Rate	\$ 268.73	\$ 201.46	\$ 121.21	\$ 250.72	\$ 150.56	\$ 108.03	\$ 130.53	\$ 86.40	\$ 122.14	\$ 94.94			HDR Reimbursable Costs						Subconsultants				
Task	Description	Project Manager (Girair Kotchian)	Sr. Roadway Engineer (Steven Crouch)	Civil Engineer (Jessica Slater)	QA/QC (Mark Hager)	Drainage Engineer (Vahid Haghdoust)	Drainage Engineer (Reza Afshar)	Right-of-Way Agent (Michele Chan)	Right-of-Way Agent (Jennifer Cole)	CADD II (Patricia Murtaugh)	Admin II (Jennifer Thoren)	TOTAL LABOR HOURS	TOTAL LABOR DOLLARS	Mileage	Postage	Reproduction	Title Reports and R/W Appraisals	Parking	Potholing	Diaz Yourman	GPA Environmental	Guida Surveying	Iteris	TOTAL COST
Task 1	Project Management																							
	Project Initiation Documents											0	\$0.00											\$0.00
	Project Management Plan											0	\$0.00											\$0.00
	Project Quality Control and Assurance Plan											0	\$0.00											\$0.00
	Coordination and Meetings											0	\$0.00											\$0.00
	City/Caltrans Coordination (8x hours/month x 12 months)	48										48	\$12,898.93			\$250.00								\$13,148.93
	Monthly Caltrans PDT Meetings (2x meetings)	12		16							10	38	\$6,113.47	\$100.00										\$6,213.47
	Additional Meetings and Coordination (4 in-person meetings)	24		16							10	50	\$9,338.21	\$185.00										\$9,523.21
	Administration											0	\$0.00											\$0.00
	Project Scheduling											0	\$0.00											\$0.00
	Document Control											0	\$0.00											\$0.00
	Progress Reports and Invoices	24									24	48	\$8,727.93											\$8,727.93
	TOTAL LABOR HOURS	108	0	32	0	0	0	0	0	0	44	184												
	TOTAL DOLLAR	\$29,022.59	\$0.00	\$3,878.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,177.19		\$37,078.55	\$285.00	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,613.55
Task 2	Right-of-Way Services																							
	Right-of-Way											0	\$0.00											\$0.00
	Utility Coordination											0	\$0.00											\$0.00
	Right-of-Way Certification											0	\$0.00											\$0.00
	Meetings & Coordination/Review (Task 2a)	46		24				100	24			194	\$30,397.37	\$185.00		\$164.00								\$30,746.37
	Meetings & Coordination/Review (Task 2b -RON)	46		16				90	26			178	\$28,295.18	\$185.00		\$160.00								\$28,640.18
	QA/QC											0	\$0.00											\$0.00
												0	\$0.00											\$0.00
	TOTAL LABOR HOURS	92	0	40	0	0	0	190	50	0	0	372												
	TOTAL DOLLAR	\$24,722.95	\$0.00	\$4,848.45	\$0.00	\$0.00	\$0.00	\$24,800.94	\$4,320.21	\$0.00	\$0.00		\$58,692.55	\$370.00	\$0.00	\$324.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,386.55
	TOTAL LABOR HOURS	200	0	72	0	0	0	190	50	0	44	556												
	TOTAL LABOR DOLLAR	\$53,745.54	\$0.00	\$8,727.21	\$0.00	\$0.00	\$0.00	\$24,800.94	\$4,320.21	\$0.00	\$4,177.19		\$95,771.10											\$95,771.10
	TOTAL REIMBURSABLES													\$655.00	\$0.00	\$574.00	\$0.00	\$0.00	\$0.00					\$1,229.00
	TOTAL SUBCONSULTANTS																			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL FEE																							\$97,000.10