



Legislation Text

File #: 20-0084, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Stephanie Katsouleas, Public Works Director
Steve S. Charelian, Finance Director
Prem Kumar, City Engineer
Anastasia Seims, Senior Civil Engineer

SUBJECT:

Consider Approving a Budget Adjustment of Estimated Revenues for \$6,504,781 and Appropriating \$6,504,781 from the Utility Underground Assessment District Fund for the Underground Utility Assessment District 19-4 Project; and Adopting a Resolution Awarding a Professional Services Agreement to NV5, Inc. for Construction Management and Inspection Services for \$336,950 for Underground Utility Assessment District 19-4 (Public Works Director Katsouleas and Finance Director Charelian).

ADOPT RESOLUTION NO. 20-0033

RECOMMENDATION:

Staff recommends that City Council:

1. Approve a budget adjustment of estimated revenues for \$6,504,781 and appropriate \$6,504,781 from the Underground Assessment District Fund.
2. Adopt Resolution No. 20-0033:
 - a. Awarding a construction management and inspection services agreement to NV5, Inc. for the Underground Utility Assessment District 19-4 (District 4) Project for \$336,950; and
 - b. Authorize the City Manager to execute the agreement.

FISCAL IMPLICATIONS:

The total bond proceeds and owner prepayments available to underground electrical and telecom utilities for 167 homes in District 4 is \$6,504,781. The scope of the project is broken down as follows:

Category	Cost
Design Services	\$ 189,726
Construction and Cabling	\$5,279,614
Project Contingency	\$ 527,961
<u>Administration</u>	<u>\$ 507,480</u>
Total Undergrounding Costs	\$6,504,781

The bond proceeds and owner payments are intended to cover city administration, plan designs, construction, construction oversight, cabling, and project contingency for possible additional work. Funding for the NV5 contract, in an amount not to exceed \$336,950, is provided for the in District 4 administration and project contingency.

BACKGROUND:

Following completion of District 4 design plans, public review of those plans, and bidding of the final construction documents in mid-2019, City Council initiated the Proposition 218 protest ballot process to consider formation of District 4 on November 19, 2019. This process provided property owners the opportunity to vote in favor or in opposition to proposed assessments. On January 7, 2020, Proposition 218 ballot results confirmed that there was strong majority support (75% of weighted returned ballots) for utility undergrounding and City Council approved a resolution declaring the City's intent to finance the improvements through the levy of assessments and the issuance of bonds. City Council also approved a resolution awarding a construction contract to Asplundh Construction, LLC, approving additional work, if necessary, and approving the Plans and Specifications for the project.

Note that this is the first civil portion of a utility undergrounding project constructed directly by the City of Manhattan Beach. Construction of all other previously approved underground districts (1, 2, 3, 5, 6, 12 and 14) was completely managed by the utility companies for lump sum pricing. However, because Public Works will be directly overseeing construction of District 4, additional field and administrative support was planned for as part of the total assessments levied. As a result, the bond proceeds (revenues) and expenditures for the district will flow through the City; a budget adjustment is needed to account for the funds.

DISCUSSION:

The City issued a Request for Proposal (RFP) No. 1232-20 for construction management and inspection services for District 4 in early 2020. A total of six proposals were received by the January 30, 2020, RFP deadline. Proposed fees ranged from a low of \$446,160 to a high of \$1,126,140. Each proposal was evaluated and ranked by the City's evaluation committee based on the proposer's understanding of the scope of services, proposed methodology and work plan, and experience of both the firm and the project team members.

NV5, Inc. submitted the most responsive and comprehensive proposal. The firm's assigned staff has the most relevant experience, and its proposal demonstrated a significant understanding of the key project tasks and constraints. The recommended award of \$336,950 will cover the expected costs for the scope outlined in the RFP, which includes construction and inspection services during the public right-of-way, civil construction of the District 4 Project. Although the proposed award to NV5, Inc. exceeds the allocated budget of \$275,000, a portion of the overall project contingency will be utilized to cover the full inspection cost of project. Note that the final proposed construction and inspection fee was negotiated downward as part of the selection process.

Key services to be provided by NV5, Inc. include:

- Full-time inspection of conduits, vaults and other appurtenances.
- Ongoing review and oversight of the construction schedule and budget.
- Responding to contractor questions, requests for information, and issues that arise in the field

during construction.

- Coordinating between the contractor, City staff and three utility companies.

The civil construction portion of the undergrounding project is expected to take approximately ten months. Following completion of construction, the utility companies will begin cabling their systems, and property owners will begin installing their private property conduit in preparation of receiving underground service. The entire project is expected to be completed by mid-2022.

PUBLIC OUTREACH:

A Public Meeting was held on September 12, 2019, to review the design plans with property owners in Underground Utility Assessment District 4 to provide them an opportunity to:

1. Review the construction documents showing all infrastructure planned in the public right-of-way adjacent to each parcel;
2. Verify the correct location of each utility stub out relative to individual property service panels; and
3. Comment on the proposed designs both at the meeting and by appointment for 10 days following the meeting. All comments provided are being considered, and if appropriate, incorporated into the construction documents.

A second Public Meeting was held on December 10, 2019, to discuss individual assessments with property owners. At this meeting, property owners were able to review their individual assessments and ask questions.

Notices will be sent to residences adjacent to the work once the project progresses toward the start of construction.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and had determined that the project qualifies for a Categorical Exemption pursuant to Section 15302(d) and 15303(d) (Conversion of overhead electric utility distribution system facilities to underground and conversion of existing small structures to small new equipment and facilities in small structures) of the State CEQA Guidelines. A Notice of Exemption was filed with the Los Angeles County Clerk's Office for the Project.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 20-0033
2. Agreement - NV5
3. District 4 Boundary Map