

June 5, 2007

Honorable Mayor and Members of
The Hermosa Beach City Council

Regular Meeting
of June 12, 2007

**CIP PROJECT NO. 05-413 SEWER IMPROVEMENTS: SEWER PIPELINE RECONSTRUCTION,
NEW SEWER PIPELINE CONSTRUCTION AND LINING REPAIR, VARIOUS LOCATIONS AND
CIP PROJECT NO. 07-423 SEWER IMPROVEMENTS – AWARD CONSTRUCTION CONTRACT**

Recommendation:

It is recommended that the City Council:

1. Award the Construction Contract to Vasilj, Inc. in the amount of \$435,962;
2. Authorize the Mayor to execute and the City Clerk to attest subject to approval by the City Attorney;
3. Approve the attached Professional Services Agreement for construction inspection services to CBM Consulting Inc., for \$42,360 and authorize the Mayor to execute and the City Clerk to attest subject to approval by the City Attorney;
4. Authorize re-appropriation of \$70,740 in the 301 Capital Improvement Fund and \$362,384 in the 160 Sewer fund of Project No. CIP 05-413 to FY2007-2008;
5. Authorize a transfer of \$95,000 in FY 2007-2008 from CIP 07-423 to CIP 05-413;
6. Approve a change order (Change Order #1) to Vasilj, Inc. to include CIP 07-423 Sewer Improvements proposed for FY 2007-2008 which will increase the contract amount by approximately \$232,000; and
7. Authorize the Director of Public Works to make changes for both projects as necessary within the project budget.

SUMMARY:

Beginning April 12, 2007, Project No. CIP 05-413 was advertised in the Easy Reader, Green Sheet (F.W. Dodge), Construction Bidboard, and the City's website. A total of 18 bid packages were picked up. The City Clerk received 3 bids by the closing date of May 3, 2007. The bids were publicly opened and read aloud. The bid results were as follows:

BIDDER	CITY	TOTAL BID AMOUNT
1. Vasilj, Inc.	Irwindale, CA	\$435,962
2. Zondiros Corporation	Torrance, CA	\$436,586
3. Ramona, Inc	Arcadia, CA	\$450,850

All bids were responsive. The bid of the apparent low bidder, Vasilj, Inc., is \$35,962 (approximately 9 %) above the engineer's estimate of \$400,000.

Background:

Project No. CIP 05-413 consists of a variety of sewer improvements which include sewer main rehabilitation (lining), installation of new manholes, removal and replacement of sewer pipeline, and construction of new sewer pipeline. There are five distinct work locations;

1. **Palm Drive between 16th and 19th Streets:** 600 linear feet of sewer pipe lining, new manhole construction, and replacement of 100 linear feet of existing sewer main.
2. **Porter Lane:** 235 linear feet of sewer pipe lining, removal and replacement of 300 linear feet of sewer main and new manhole construction.
3. **10th Street between Ardmore and Pacific Coast Highway:** 427 linear feet of sewer pipe lining
4. **Clark Field:** Construction of 500 linear feet of new sewer pipe to service the snack bar stand and restrooms adjacent to the Clark Field baseball field. It is anticipated that the improvements to these park facilities
5. **12th Court between Beach Drive and Hermosa Avenue:** Construction of 400 linear feet of new sewer main and manholes in 12th Court. This segment of new pipe is to divert flows from the existing 10-inch sewer collector pipe in Beach Drive to the existing main in Hermosa Avenue via 12th Court. The diversion of flows off of Beach Drive is to help alleviate an undersized portion of sewer main downstream of 12th Court specifically located under the Pier Plaza through 13th Court. This segment of undersized main has been a ongoing maintenance expenditure which has been done to keep it clear of grease accumulations for the purpose of preventing potential sewage overflows and/or backups.

The services of a consultant Construction Manager are needed to supplement the construction management and inspection capacity of the Public Works Department. On October 30, 2003 the City of Hermosa Beach Public Works Department received eleven statements of qualifications for the performance of general engineering and construction management services. From this list, Staff selected CBM Consulting, Inc. and negotiated a not-to-exceed fee of \$42,360.00. In addition to construction management and inspection services, CBM will also provide as-builts at no extra cost.

Analysis:

Staff reviewed the low bidder's documents and found them to be in order. Reference calls were supportive of the contractor's work habits. Staff received very good feedback from Los Angeles County Sanitation Districts and The City of Pasadena. Currently, Vasilj, Inc. is on The City of Pasadena's emergency on-call list of Contractors.

The construction contract, and anticipated inspection/testing costs amount to \$478,322. Since only \$433,124 is available at this time, a transfer request of \$95,000 (which includes contingency) from the 301 Capital Improvement Fund budgeted for FY 2007-2008 in CIP 07-423 Sewer Improvements is needed to facilitate award of the project. Note that there will not be any construction expenditures until after July 1, 2007.

Due to receiving very competitive bids and in order to save time and expense, Staff recommends issuing a change order directing the Contractor to perform the work under FY2007-2008's CIP 07-423 Sewer Improvements. The Change Order will be issued once the exact scope of work has been determined. The type of work will be consistent with the current project being awarded.

Staff has determined that Vasilj's unit pricing is very competitive with present day construction costs and recommends approval of this change order so that work can begin on CIP 07-423 as soon as feasible. Vasilj, Inc has expressed their willingness to work with Staff to do the extra work and by trying to maintain their unit prices.

Fiscal Impact:

The project funding sources are as follows:

FUNDING SOURCE	CURRENT BUDGET	PROPOSED APPROPRIATIONS
1) 301 Capital Improvement	70,740	95,000
2) 160 Sewer	362,384	0
TOTALS	433,124	95,000

Funds Available	\$ 433,124
Proposed Appropriation	<u>\$ 95,000</u>
Total Project Budget	\$ 528,124

Proposed Construction Contract	\$ 435,962
Proposed Construction Contingency	\$ 48,000
Proposed Construction Management/Inspection Costs	<u>\$ 42,360</u>
Total Costs	\$ 526,322

The construction, inspection, and contingency amount to \$526,322. With \$433,124 available, the recommended appropriation is needed.

The funding for Change Order #1 source is as follows:

FY 2007-08 Proposed Budget for CIP 07-423 Sewer Improvements

301 Capital Improvements	\$ 198,177
160 Sewer Funds	<u>\$ 33,823</u>
Total Project Budget	\$ 232,000*

* Reflects \$95,000 being transferred to CIP 05-413.

Attachment: Professional Services Agreement

Respectfully submitted,



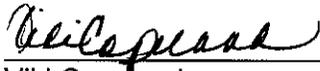
Frank Senteno, P.E.
Associate Engineer

Concur:



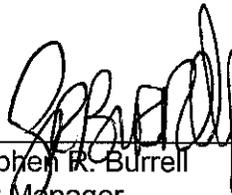
Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Noted for Fiscal Impact:



Viki Copeland
Finance Director

Concur:



Stephen R. Burrell
City Manager

PROFESSIONAL SERVICES AGREEMENT

**FOR PROJECT NO. CIP 05-413 SEWER IMPROVEMENTS: SEWER PIPELINE
RECONSTRUCTION, NEW SEWER PIPELINE CONSTRUCTION AND LINING REPAIR –
VARIOUS LOCATIONS**

THIS AGREEMENT, made and entered into this 12th day of June, 2007 at Hermosa Beach, County of Los Angeles, State of California, by and between the CITY OF HERMOSA BEACH, a municipal corporation, located at Civic Center, 1315 Valley Drive, hereinafter called the CITY, and CBM Consulting, Inc., hereinafter called the CONSULTANT.

WITNESSETH: That the CONSULTANT for and in consideration of the covenants, conditions, agreements, and stipulations of the CITY herein expressed, does hereby agree to furnish to the CITY professional services and materials, as follows:

ARTICLE I - Scope of Work

CONSULTANT shall perform all work necessary to complete in a manner satisfactory to CITY the services set forth in the plans and specifications or the scope of work attached as Exhibit A.

ARTICLE II - Costs

The CITY agrees to pay CONSULTANT for all the work or any part of the work performed under this Agreement at the rates and in the manner established in the attached Fee Schedule, Exhibit A.

Total expenditure made under this contract shall not exceed the sum of \$42,360. This fee includes all expenses, consisting of all incidental blueprinting, photography, travel, and miscellaneous costs, estimated to be accrued during the life of the contract. It also includes any escalation or inflation factors anticipated. No increase in fees will be allowed during the life of the contract.

Any increase in contract amount or scope shall be by express written amendment approved by the CITY and CONSULTANT.

The CONSULTANT will be reimbursed for costs incurred in the performance hereof as are allowable under the provisions of Part 1-14 of the Federal Procurement Regulations.

ARTICLE III - Method of Payment

CONSULTANT shall be reimbursed monthly in arrears based upon the hourly services provided. CONSULTANT shall submit invoices in triplicate and addressed to the CITY, c/o the Finance Department, 1315 Valley Drive, Hermosa Beach, CA 90254-3884.

ARTICLE IV - Subcontracting

CONSULTANT shall not be permitted to subcontract any portion of this contract without the express written consent of the CITY.

ARTICLE V - Completion Date

CONSULTANT shall commence work under this agreement upon execution of this agreement and shall complete the work according to the schedule submitted as part of Exhibit "A", however, the CITY's Director of Public Works may extend the completion date as required by the scope of this contract. Any contract time extension shall require the express written consent of the Director of Public Works.

ARTICLE VI - Accounting Records

CONSULTANT must maintain accounting records and other evidence pertaining to costs incurred which records and documents shall be kept available at the CONSULTANT's California office during the contract period and thereafter for three years from the date of final payment of Federal funds hereunder.

ARTICLE VII - Ownership of Data

All data, maps, photographs, and other material collected or prepared under the contract shall become the property of the CITY.

ARTICLE VIII - Termination

This contract may be terminated at any time for breach and the CITY may terminate unilaterally and without cause upon seven (7) days written notice to the CONSULTANT. All work satisfactorily performed pursuant to the contract and prior to the date of termination may be claimed for reimbursement.

ARTICLE IX - Assignability

CONSULTANT shall not assign or transfer interest in this contract without the prior written consent of the CITY.

ARTICLE X - Amendment

It is mutually understood and agreed that no alteration or variation of the terms of this contract, or any subcontract requiring the approval of the CITY, shall be valid unless made in writing, signed by the parties hereto, and approved by all necessary parties.

ARTICLE XI - Non-Solicitation Clause

The CONSULTANT warrants that he or she has not employed or retained any company or persons, other than a bona fide employee working solely for the

CONSULTANT, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the CITY shall have the right to annul this contract without liability, or, in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

ARTICLE XII - Equal Opportunity Assurance

During the performance of this contract, the CONSULTANT agrees as follows:

A. The CONSULTANT will not discriminate against any employee or applicant for employment because of race, sex, creed, color or national origin. The CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, sex, creed, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of the CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to race, sex, creed, color or national origin.

C. The CONSULTANT will permit access to their books, records and accounts by the applicant agency, the State, the Federal Highway Administration and/or the National Highway Traffic Safety Administration for purposes of investigation to ascertain compliance with this nondiscrimination clause.

D. In the event of the CONSULTANT's noncompliance with the nondiscrimination clauses of this contract, this contract may be canceled, terminated or suspended in whole or in part.

ARTICLE XIII - Clean Air Act

During the performance of this Contract, the CONSULTANT agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended.

ARTICLE XIV - Indemnity

CONSULTANT agrees to indemnify the CITY, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, claims, damages to persons or property, penalties, obligations or liabilities that may be asserted

or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of the negligent acts or intentional tortious acts, errors or omissions of CONSULTANT, its agents, employees, subcontractors, or invitees, provided for herein. CONSULTANT will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities and will pay all costs and expenses, including attorneys' fees incurred in connection herewith. CONSULTANT will promptly pay any judgment rendered against CITY, its officers, agents or employees for any such claims, damages, penalties, obligations or liabilities. In the event CITY, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against CONSULTANT for such damages or other claims arising out of or in connection with the sole negligence of CONSULTANT hereunder, CONSULTANT agrees to pay CITY, its officers, agents, or employees, any and all costs and expenses incurred by CITY, its officers, agents or employees in such action or proceeding, including but not limited to reasonable attorney's fees.

ARTICLE XV - Insurance

A. Without limiting CONSULTANT'S obligations arising under ARTICLE XIV - Indemnity, CONSULTANT shall not begin work under this Agreement until it obtains policies of insurance required under this section. The insurance shall cover CONSULTANT, its agents, representatives and employees in connection with the performance of work under this Agreement, and shall be maintained throughout the term of this Agreement. Insurance coverage shall be as follows:

i. Automobile Liability Insurance with minimum coverages of \$500,000 for property damage, \$500,000 for injury to one person/single occurrence, and \$500,000 for injury to more than one person/single occurrence.

ii. Public Liability and Property Damage Insurance, insuring CITY its elected and appointed officers, agents, and employees from claims for damages for personal injury, including death, as well as from claims for property damage which may arise from CONSULTANT'S actions under this Agreement, whether or not done by CONSULTANT or anyone directly or indirectly employed by CONSULTANT. Such insurance shall have a combined single limit of not less than \$1,000,000.

iii. Worker's Compensation Insurance for all CONSULTANT'S employees to the extent required by the State of California.

B. Deductibility Limits for policies referred to in subparagraphs A (i) (ii) and (iii) shall not exceed \$5,000 per occurrence.

C. Additional Insured. City, its elected and appointed officers, agents, and employees shall be named as additional insureds on policies referred to in subparagraphs A (i) and (ii).

D. Primary Insurance. The insurance required in paragraphs A (i) (ii) and (iv) shall be primary and not excess coverage.

E. Evidence of Insurance. Consultant shall furnish CITY, prior to the execution of this Agreement, satisfactory evidence of the insurance required, issued by an insurer authorized to do business in California, and an endorsement to each such policy of insurance evidencing that each carrier is required to give CITY at least 30 days prior written notice of the cancellation of any policy during the effective period of the Agreement. All required insurance policies are subject to approval of the City Attorney. Failure on the part of CONSULTANT to procure or maintain said insurance in full force and effect shall constitute a material breach of this Agreement or procure or renew such insurance, and pay any premiums therefor at CONSULTANT'S expense.

ARTICLE XVI - Enforcement of Agreement

In the event that legal action is commenced to enforce or declare the rights created under this Agreement, the prevailing party shall be entitled to an award of costs and reasonable attorney's fees in the amount to be determined by the court.

ARTICLE XVII - Conflicts of Interest

No member of the governing body of the CITY and no other officer, employee, or agent of the CITY who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Agreement; and the CONSULTANT further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

ARTICLE XVIII - Independent CONSULTANT

The CONSULTANT is and shall at all times remain as to the CITY a wholly independent consultant. Neither the CITY nor any of its agents shall have control over the conduct of the CONSULTANT or any of the CONSULTANT's employees, except as herein set forth. The CONSULTANT shall not at any time or in any manner represent that it or any of its agents or employees are in any manner agents or employees of the CITY.

ARTICLE XIX - Entire Agreement of the Parties

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of CONSULTANT by CITY and contains all the covenants and agreements between the parties with respect such employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or amendment hereto shall be effective unless executed in writing and signed by both CITY and CONSULTANT.

ARTICLE XX - Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, and all applicable federal statutes and regulations as amended.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF HERMOSA BEACH

CONSULTANT

MAYOR:

Mayor, City of Hermosa Beach

CBM Consulting, Inc.

ATTEST:

Elaine Doerfling, City Clerk

APPROVED AS TO FORM:

City Attorney

Attachments: Exhibit A



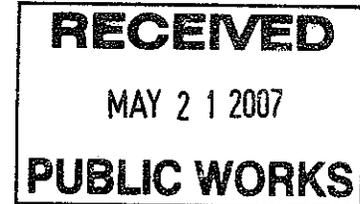
CBM Consulting, Inc.

Building the Future

Project Management ♦ Construction Management ♦ Civil Engineering

May 17, 2007

Frank Senteno
Associate Engineer
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, CA 90254



RE: Proposal for Inspection Services for the Sewer Improvements Project, Target Areas 2 – 4.

Dear Mr. Senteno:

CBM Consulting, Inc. is pleased to submit a proposal for the inspection services associated with the Sewer Improvements Project, Target Areas 2 – 4. We are committed to working seamlessly with your staff and project team to ensure the successful delivery of this project.

The CBM Consulting team, our project systems, and our entire management structure are geared to providing flexible services to agencies such as yours. We are intimately familiar with projects and the scope of services requested. Our specialty is providing services, similar to those requested by you

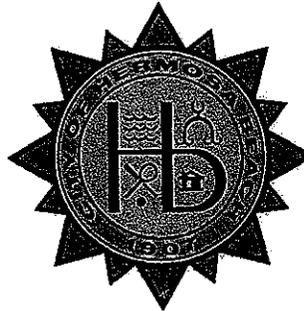
Thank you for this opportunity to offer our services to the City of Hermosa Beach. Should you have questions during the selection process, please contact me at (310) 329-0102.

Sincerely,
CBM Consulting, Inc.

Chuck Stephan, P.E. (CA RCE C50481)
President

EXHIBIT A

The City of Hermosa Beach



Project No. CIP 05-413 Sewer Improvements- Target Areas 2 - 4

PROJECT DESCRIPTION:

The project involves sewer improvements at the following locations:

Palm Drive

- Root foam and root clean 613 LF of 8" VCP
- Cured in place pipe lining 613 LF of 8" VCP
- Construct new manholes
- Installation of 103 LF of 8" VCP and new lateral connections.
- Break in connections and spot repair lateral connections

Porter Lane

- Root foam and root clean 235 LF of 8" VCP
- Cured in place pipe lining 235 LF of 8" VCP
- Construct new manhole
- Installation of 299 LF of 8" VCP and new lateral connections.

Tenth Street

- Root foam and root clean 426.9 LF of 8" VCP
- Cured in place pipe lining 426.9 LF of 8" VCP

Clark Field

- Construct new manhole
- Installation of 103 LF of 6" PVC SDR-35 and new 4" lateral connection.
- Construct new concrete swale

12th Court

- Installation of 386 LF of 10" VCP
- Construct new manholes

SCOPE OF SERVICES

I. Constructability Review

- Review of the plans and specification, to identify any anomalies,
- Check for completeness of contract documentation
- Check for any conflicting information in the current project documentation.
- Check the plans for potential problems that may be encountered during the construction phase, based on the current design and issue recommendations on the resolution of such issues.

2. Construction Phase:

- Perform pre-construction meeting and weekly progress meetings.
- Review and monitor construction schedule.
- Receive, log, track, process and distribute submittals and RFIs.
- Analyze and provide recommendation on potential change orders.
- Provide daily observation inspection reports to the Project Manager
- Provide daily photographic record of progress on site.
- Coordinate QA/QC activities on a daily basis and make sure QA/QC procedures are followed by the contractor and any deficiencies are resolved in a timely and efficient manner.
- Ensure that the contractor complies with of the provisions of the SWPPP for the project.
- Coordinate soil and material testing.
- Maintain project files, keeping neat and complete records of construction documents, which shall be handed over to the City at the end of the project.
- Review and provide recommendations on Contractor payment requests.
- Coordinate issue resolution and recommendations.
- Assist the City in liaising with the residents for the coordination of the construction activities.
- Assist with and prepare the punch list.
- Oversee the completion of the "As- Built" drawings by the contractor
- Assist the City with the review and monitoring of closeout documents.
- Coordinate building Department inspections and utilities
- Provide monthly progress reports regarding schedule and other agencies on site activities
- Manage the completion by the contractor of the punch list items.

KEY PERSONNEL

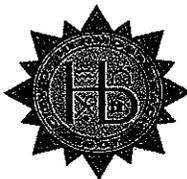
Chuck Stephan	Construction Manager
Ronnie Villarreal	Construction Observer

CRITICAL ISSUES:

The following are some of the critical issues identified on this project:

- Because of the proximity of the new sewer line to the existing sewer line, the contractor will need to ensure that the existing sewer line is not undermined during the installation of the new sewer line.
- Coordination with the residents to provide acceptable access to each residence during the construction operation.
- Coordination with the residents during the cleaning, lining and work to the lateral connections on the sewer lines.
- Effective traffic control and minimal restrictions to the on-street parking for the residents.
- Noise control
- Coordination of the construction operation to minimize any disruption to the residents.

ESTIMATED FEE:



**Inspection Services
 Sewer Improvements
 Target 2 - 4**



CBM Consulting, Inc.

COST PROPOSAL

Construction Phase	Hrs	Duration	Rate	Extension
Construction Manager	0.2	60 days	\$ 130.00	\$ 1,560.00
Construction Observer	8	60 days	\$ 85.00	\$ 40,800.00
TOTAL ESTIMATED FEE				\$ 42,360.00

Notes:

1. Additional services or extended schedule for reasons outside of CBM's control would require additional effort and fee, and a contract amendment
2. Deputy Inspection and testing are not included for in this proposal