

January 15, 2003

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
January 28, 2003

**PROJECT NOS. CIP 00-410 & 00-192 LOMA AREA SEWER AND STREET IMPROVEMENTS AND  
CIP 00-411 SEWER AND STREET IMPROVEMENTS – TARGET AREA 1  
APPROVAL OF PROFESSIONAL SERVICES AGREEMENT FOR  
CONSTRUCTION MANAGEMENT/INSPECTION AND  
APPROPRIATION OF SEWER FUNDS**

**Recommendation:**

It is recommended that the City Council:

1. Approve the attached Professional Services Agreement for construction management services between the City of Hermosa Beach and Quantum Consulting, Inc. for a fee not to exceed \$147,600;
2. Authorize the City Clerk to attest and the Mayor to execute said agreement upon approval as to form by the City Attorney;
3. Authorize the appropriation of \$100,000 from the 160 Sewer Fund; and
4. Authorize the Director of Public Works to make minor changes as necessary not to exceed \$14,760.

**Background:**

As Council is aware, the construction contracts for Project Nos. CIP 00-410 & 00-192 Loma Area Sewer and Street Improvements and CIP 00-411 Sewer and Street Improvements – Target Area 1 were awarded to Sialic Contractors Corporation dba Shawnan at the January 14, 2003 meeting.

The services of a consultant Construction Manager are needed to supplement the construction management and inspection capacity of the Public Works Department. On January 14, 2003 the City of Hermosa Beach Public Works Department received six proposals for the performance of construction management services for Project Nos. CIP 00-410 & 00-192 Loma Area Sewer and Street Improvements and CIP 00-411 Sewer and Street Improvements – Target Area 1.

The responding project teams were as follows:

<b>FIRM</b>	<b>LOCATION</b>
AAE, Inc.	Brea, California
CBM Consulting, Inc.	Gardena, California
Hy-com & Associates, Inc.	Newport Beach, California
Quantum Consulting	Torrance, California
SA Associates	Arcadia, California
Tetra Tech, Inc.	Irvine, California

**Analysis:**

Staff evaluated each proposal on the basis of the scope of services, similar projects, and resumes of key personnel.

FIRM	SCOPE OF SERVICES	SIMILAR PROJECT EXPERIENCE	STAFF CAPABILITIES	FEE
SA Associates	Weak	Strong	Adequate	\$ 108,000
Quantum Consulting, Inc.	Strong	Adequate	Strong	\$ 147,600
CBM Consulting Inc.	Strong	Strong	Adequate	\$ 157,541
AAE Inc.	Strong	Strong	Adequate	\$ 164,655
Hy-Com & Associates, Inc.	Adequate	Strong	Adequate	\$ 167,600
Tetra Tech, Inc.	Strong	Strong	Adequate	\$ 277,602

After evaluating the proposal data, the consulting firm of Quantum Consulting, Inc. was selected as the best qualified to provide the required services for a fee of \$147,600. The main reasons for this decision are: 1) Quantum’s past performance on the Loma District and Myrtle District Undergrounding Projects, 2) their commitment and dedication to the City to complete the projects (even when their contract is exhausted), and 3) their familiarity with and personal attention to the City’s residents, especially in the Loma area. The portion of the fee for Project No. CIP 00-410/00-192 Loma Area Sewer and Street Improvements is \$73,800. The remainder of the fee in the amount of \$73,800 will be attributed to Project No. CIP 00-411 Sewer and Street Project –Target Area 1. Please see the attached Professional Services Agreement (PSA), Exhibit A – Scope of Work.

The firm with the lowest fee, SA Associates, proposed many exceptions to their fee proposal and services. The main exception is the limitation of inspection hours to 1,100 for both projects. The inspection hours needed total 1,920 hours (2 projects X 120 days X 8 hours = 1,920 hours). Based on their rate of \$69/hour for inspection and 820 additional hours, \$59,340 should be added to their fee to make it a comparable to the other proposals. Other exceptions include limiting the review of change orders to 5, limiting the number of site meetings to 10, limiting review of Requests for Information and Requests for Clarification to 20, and limiting review of submittals/re-submittals to 10. It is apparent that supplemental agreements or change orders will be needed to augment this fee proposal.

The appropriation of \$100,000 from 160 Sewer Fund is necessary to increase the project budgets to \$1,548,675 and \$891,831 for Project Nos. CIP 00-410 & 00-192 Loma Area Sewer and Street Improvements and CIP 00-411 Sewer and Street Improvements – Target Area 1, respectively, in order to accommodate the construction contracts with Shawnan, and the proposed Professional Services Agreement with Quantum Consulting, Inc. including contingencies.

**Fiscal Impact:**

The costs and funding sources for both projects are as follows:

**Project Nos. CIP 00-410 & 00-192 Loma Area Sewer and Street Improvements**

Construction Contract & Contingency	\$ 1,461,806
Proposed Cons. Management PSA	\$ 73,800
Proposed PSA Contingency	\$ 7,380
Total Costs	\$ 1,542,986
Funds Available	\$ 1,498,675
Proposed Approp. (Rec. 1)	\$ 50,000
Total Funding	\$ 1,548,675

**Project No. CIP 00-411 Sewer and Street Improvements – Target Area 1**

Construction Contract & Contingency	\$ 805,198
Proposed Cons. Management PSA	\$ 73,800
Proposed PSA Contingency	<u>\$ 7,380</u>
Total Costs	\$ 886,378
Funds Available	\$ 841,831
Proposed Approp. (Rec. 1)	<u>\$ 50,000</u>
Subtotal	\$ 891,831

With construction contracts plus contingencies amounting to \$2,267,004 for both projects and a proposed construction management PSA in the amount of \$147,600 plus \$14,760 contingency, the cumulative costs total approximately \$2,429,364. The cumulative available budgets total \$2,340,506. The difference needed is approximately \$88,858. In addition, funds are needed to perform soils testing, compaction testing, and materials testing during construction. Therefore, the proposed appropriation in the amount of \$100,000 is needed to accommodate the PSA plus contingency.

Attachment: Professional Services Agreement

Respectfully submitted,

Concur:

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Tristan D. Malabanan  
Assistant Engineer

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Harold C. Williams, P.E.  
Director of Public Works/City Engineer

Noted for Fiscal Impact:

Concur:

\_\_\_\_\_  
Viki Copeland  
Finance Director

\_\_\_\_\_  
Stephen R. Burrell  
City Manager