



Staff Report

File #: 23-0618

REQUEST FOR CITY COUNCIL ACTION

DATE: 08/02/2023

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

FOURTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH BIGGS CARDOSA ASSOCIATES, INC. AND SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS AND COMPANY, INC. FOR THE MCKINLEY STREET GRADE SEPARATION PROJECT, NO. ST-2012-01

EXECUTIVE SUMMARY:

This staff report asks City Council to consider the approval of a Fourth Amendment to the Professional Services Agreement with Biggs Cardosa Associates, Inc., to continue to provide engineering construction support and for the analysis and development of value engineering construction alternatives through construction that will increase the contract value from \$12,023,838 to \$13,473,719 for a total increase of \$1,449,881 and consider the approval of the Second Amendment to the Professional Services Agreement with Mark Thomas and Company, Inc., to continue to provide project management services and increase the contract value from \$3,330,505 to \$3,658,285 for a total increase of \$327,780 for the McKinley Grade Separation Project, No. ST-2012-01.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Fourth Amendment to the Professional Services Agreement with Biggs Cardosa Associates, Inc., to increase the total compensation by \$1,449,881, and extend the contract term through December 31, 2024.
- b. Authorize the City Manager, or his designee, to execute the Fourth Amendment to the Professional Services Agreement with Biggs Cardosa Associates for a total contract amount of \$13,473,719.04 and extend the contract term through December 31, 2024.

- c. Authorize the City Manager, or his designee, to issue Change Order No. 4 to Purchase Order P20962 to Biggs Cardosa Associates, Inc., in the amount of \$1,449,881.
- d. Approve the Second Amendment to the Professional Services Agreement with Mark Thomas and Company, Inc., allowing increased hourly rates for the duration of the contract term, increase the total compensation by \$327,780, and extend the contract term through June 30, 2025.
- e. Authorize the City Manager, or his designee, to execute the Second Amendment to the Professional Services Agreement with Mark Thomas and Company, Inc, allowing increased hourly rates for the duration of the contract term, for a total contract amount of \$3,658,285 and extend the contract term through June 30, 2025.
- f. Authorize the City Manager, or his designee, to issue Change Order No. 2 to Purchase Order P21407 to Mark Thomas and Company, Inc., in the amount of \$327,780.
- g. Authorize a one-time appropriation in the amount of \$5,001,956 from the Infrastructure Investments Reserve within Measure X Fund 120 to the McKinley Street Grade Separation Project, No. ST-2012-01.

BACKGROUND & HISTORY:

Biggs Cardosa Associates, Inc. (BCA)

On July 18, 2018, the City executed a Professional Services Agreement with BCA to provide environmental, right-of-way, and engineering design services for the McKinley Street Grade Separation Project (Project). The total compensation included in the initial contract was \$9,833,393, and the agreement term was from July 18, 2018, through June 30, 2021. Between November 2018 and August 2019, BCA provided numerous alternatives and design options to support both four and six-lane options to a new McKinley Street bridge over the Burlington Northern and Santa Fe (BNSF) railroad, which were included in the First Amendment to the Professional Services Agreement approved by the City Council on August 21, 2019, increasing the total contractual fee from \$9,833,393 to \$10,877,325 for a total increase of \$1,043,932.

The Second Amendment to the Professional Services Agreement was issued to extend BCA's contract term from June 30, 2021, to December 31, 2023, and included no additional compensation. This amendment was executed in June 2021.

The Third Amendment to the Professional Services Agreement was approved by the City Council on July 21, 2021, increasing the total contractual fee from \$10,877,325 to \$12,023,838 for a total increase of \$1,146,513, which included engineering support and as-necessary advisory services, including public outreach support.

Since construction began, staff has required the following additional services from BCA to facilitate Project needs:

1. Design and Bidding Phase Additional Services: (1) traffic counts to adjust for COVID impacts and assessment of accessibility, which support right-of-way acquisition efforts; (2) coordination in support of Caltrans permit approvals; (3) reviewing and coordination project drawings to aid in the bridge fabrication. These additional services cost a total of \$247,471.
2. Value Engineering: Throughout construction, to offset potential rising costs of steel and to facilitate the original schedule with delays in the availability of materials, the Project Team engaged BCA to evaluate and implement several value engineering alternatives, which collectively saves approximately \$2.3 million of construction costs. These services accounted for approximately \$511,523 in additional work.

After approximately eighteen (18) months of construction, BCA is nearing the limits of the scope of work and contract amount approved in the last amendment. Additional support and consultations are anticipated to get the project through completion of construction anticipated in summer 2024, amounting to approximately \$690,887.

Mark Thomas and Company, Inc. (Mark Thomas):

On June 19, 2019, the City Council authorized the City Manager to execute a Professional Services Agreement (PSA) with Mark Thomas to provide project management services for the Project. The total compensation included in the initial contract was \$2,675,129. Their services included project management and coordination with stakeholders through the anticipated completion of construction, estimated at that time as June 30, 2023.

Throughout the delivery of the Project, City staff identified the need for Mark Thomas to perform additional support services through completion of the bidding process. The City Council approved a First Amendment to the PSA on July 21, 2021, which added an additional \$655,376 to the budget and increased the overall approved contract value from \$2,675,129 to \$3,330,505.

Mark Thomas continues to provide extensive support and management services that was not originally in their scope of work. The Project is currently scheduled for substantial completion in summer 2024, which represents twelve (12) months of increased duration from the initial Mark Thomas contract term, not including the close-out period. Through efficiencies in the PSA and First Amendment, Mark Thomas will be able to continue project management services with their current budget for approximately four to six (4-6) additional months; however, they will require additional funding and time to cover services through construction completion and the 6-month close out period. The two-year contract time extension represents \$327,780 in additional services, as shown in Exhibit 2 - Request for Amendment Number 2.

ANALYSIS:

Biggs Cardosa Associates, Inc. (BCA):

City Council could proceed with the following actions:

- 1) Approve the Fourth Amendment to the Professional Services Agreement with BCA per the

Additional Services Request attached to this report.

- 2) Not Approve the Fourth Amendment to the Professional Services Agreement with BCA.

Approve Fourth Amendment Per the Current Scope/Fee for Additional Services

This is the most beneficial to maintain the ongoing construction support services and maintain the Project schedule. This would allow staff to provide compensation for services previously provided that helped save the City over \$2.8 million in identified costs; additionally, many of these changes prevented potential delays and change orders that could have arisen during construction.

Not Approving the Fourth Amendment

To facilitate bidding, design, and the value engineering services during construction, staff felt it pertinent to allow BCA to continue providing these services. At the time these decisions were made, 2020 through 2022, it appeared there would be reserves in the initial budget through Project efficiencies; however, delays to the fabrication process and material availability challenges utilized the reserves originally anticipated. Overall, these services account for \$758,994 of the total \$1,449,881 requested, and the staff would have to identify Project funds that can account for this amount. Additionally, staff would have to procure a consultant unfamiliar with the project, to provide remaining construction engineering support. There would be a costly learning curve for any other consultant to take over engineering support on the project at this time.

Staff's recommendation is to move forward with approval of the Fourth Amendment to the Professional Services Agreement with BCA per the additional services request attached to this report.

Mark Thomas and Company, Inc. (Mark Thomas):

City Council could proceed with the following actions:

- 1) Approve the Second Amendment to the Professional Services Agreement with Mark Thomas.
- 2) Not Approve the Second Amendment to the Professional Services Agreement with Mark Thomas.

Approve the Second Amendment Per the Current Scope/Fee for Additional Services

This is the most beneficial option to maintain the ongoing project management, construction support services, and Project schedule. This would allow for continuity of the Project Management consultant team through Project completion and the close-out process.

Not Approve the Second Amendment

There is no identified replacement for the services provided by Mark Thomas. Mark Thomas has continuity on the Project, whereas the City has had some staff turnover and retirement since the commencement of the Project. Replacing Mark Thomas with City staff or another consultant would lose efficiencies in their understanding of the Project and stakeholders, and more importantly, would create potential risk for the remaining acquisition and eminent domain actions because their staff generally represent the City in negotiations and trial support. Additionally, Mark Thomas has not requested a rate increase since the initial award of the contract in 2019. Typically, yearly rate

increases are built into consultant contracts and are included in their original budget. This is Mark Thomas’s first and only request for rate increases.

Staff’s recommendation is to move forward with approval of the Second Amendment to the Professional Services Agreement with Mark Thomas per the additional services request attached to this report.

FINANCIAL IMPACT:

The total fees associated with the request for a Fourth Amendment to the Professional Services Agreement with Biggs Cardosa Associates, Inc. and the request for a Second Amendment to the Professional Services Agreement with Mark Thomas and Company, Inc. are identified as part of the total Project costs as follows:

Project Expenditures	
Expenditure Source	Amount
City Expenditures	\$340,000
Project Management (Mark Thomas)	\$3,658,285
Design / Construction Support (Biggs Cardosa Associates)	\$13,473,719
Construction Management and Inspection Services (Falcon Engineering)	\$11,000,000
Estimated BNSF Railway Company Fees/Costs	\$600,000
Demolition of Structures Located at 151 and 165 N. McKinley St	\$187,530
Construction, Right of Way, and Utility Relocation *	\$104,389,025
Total	\$133,648,559

The City has identified the following funding sources for the current Project budget:

Project Funding	
Funding Source	Amount
State Senate Bill 132	\$84,450,000
Gas Tax	\$729,724
Transportation Development Act (TDA)	\$2,000,000
Transportation Uniform Mitigation Fees (TUMF)	\$1,626,084
Local Measure A	\$4,025,000
Trade Corridor Enhancement Program (TCEP)	\$10,300,000
Section 190 Grade Separation Program	\$5,000,000
BNSF Railroad Contributions	\$3,810,000
Western Municipal Water District Utility Contributions	\$1,439,143
Highway Railroad Safety Crossing Account (HRCSA)	\$2,876,960
City Development Impact Fees – Street/Signal	\$1,000,000
City Development Impact Fees – Drainage	\$1,000,000
Road Maintenance and Rehabilitation Account (RMRA)	\$500,000
RCTC – Measure A Regional Arterials	\$9,889,692
Local City Measure X *	\$5,001,956
Total	\$133,648,559

* Denotes the City of Corona Local Measure X funds that will provide needed funding to cover the projected deficit from finalizing negotiations with property owners and businesses, incurred construction change orders, and completing utility relocations.

To cover the costs of the project increase, staff is requesting a one-time appropriation in the amount of \$5,001,956 from the Infrastructure Investments Reserve within Measure X Fund 120.

ENVIRONMENTAL ANALYSIS:

Per Public Resources Code Section 21080.13, all railroad grade separations projects which eliminates an existing at-grade crossing is exempt from the laws for the California Environmental Quality Act (CEQA). As a grade separation project, this Project is statutorily exempt under the California Environmental Quality Act.

PREPARED BY: JULIANNA ZALESKI, ASSOCIATE ENGINEER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

Attachments:

1. Exhibit 1 - Fourth Amendment to the Professional Services Agreement with Biggs Cardosa Associates, Inc.
2. Exhibit 2 - Biggs Cardosa Associates - Extra Work Request
3. Exhibit 3 - Second Amendment to the Professional Services Agreement with Mark Thomas and Company, Inc.
4. Exhibit 4 - Mark Thomas Contract Extension, Rate Increase, and Additional Fees