

City of Hesperia STAFF REPORT



DATE: July 16, 2024
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager
BY: Cassandra Sanchez, Director of Public Works
Tina Souza, Senior Project Manager
SUBJECT: Construction Management Services Contract Amendment

RECOMMENDED ACTION

It is recommended that the City Council 1) approve an Amendment to the existing contract with AnGenious Engineering Services, Inc. (AES) for the Rancho Road Corridor Widening Project Phase III Construction Management Services, in the amount of \$3,424,141 including a 10% contingency of \$342,414.10, for a revised not-to-exceed contract amount of \$10,469,733; 2) approve a one-year contract extension; and 3) authorize the City Manager or designee to execute the amendment to the Agreement and any other necessary documents related thereto.

BACKGROUND

The Rancho Corridor Widening Project, Phase III (Project), consisting of improvements to widen the five-mile roadway segment of Rancho Road from two lanes to five lanes from Seventh Avenue westerly to approximately Royal View Lane, has been the City's highest priority for roadway capital construction.

In May 2021, the City entered into a contract with AES to provide construction management services to assist in managing the day-to-day activities and coordination of the various components of construction for a project of this magnitude. The construction management team consists of AES team members and several sub-consultants who have a high degree of technical expertise and provide related services such as, but not limited to, inspection, geotechnical and materials testing, surveying, and staking, labor compliance, utility coordination, environmental and permit compliance, grant compliance, augmenting City staff, and assisting with public outreach and administration of the Project through project close-out.

Currently, the Project is under construction.

ISSUES/ANALYSIS

The Project has faced unanticipated challenges throughout construction, such as severe storm events, utility conflicts, material delays, the need for additional environmental services, and other unforeseen factors. However, most notably, there was a significant delay in receiving the final Department of Water Resources (DWR) permit to proceed with the construction of the bridge over the aqueduct. Further, DWR's permit for construction requires extensive surveying and monitoring of the aqueduct pre, during, and post construction, requiring additional professional expertise.

Consequently, the Project requires additional efforts, additional sub-consultants, and an extension of the duration of services.

While construction of the waterline relocation and roadway plan phases are nearing completion, the start of construction for the bridge over the aqueduct phase is pending and, once under construction, will continue into 2025 through the project close-out phase. The overall duration of services will result in approximately an additional 24 months from the original 24 months of planned service duration.

CITY GOAL SUPPORTED BY THIS ITEM

Capital Improvement - Continually evaluate capital improvement priorities.

FISCAL IMPACT

Funding for the Project is budgeted in Funds 204, 207, 300, 306, and 504 in the FY 2023-2024 and FY 2024-2025 Capital Improvement Program (CIP) budgets.

While a small portion of the amended costs may be attributed to San Bernardino County (County) and will be reimbursed to the City based on the actual cost of remaining minor work in their jurisdiction, the amount is insignificant. Most of the remaining work is in the City's jurisdiction, with the largest portion being the bridge. The City will bear costs at a ratio of 58.9%, and the San Bernardino County Transportation Authority (SBCTA) will reimburse the public share of eligible costs at a ratio of 41.5%. The table below has been included for estimation purposes.

| | <u>CM Cost</u> | <u>City Portion</u> | <u>SBCTA Portion</u> |
|----------------------------|----------------|---------------------|----------------------|
| <i>PSA Amendment</i> | \$ 3,424,141 | \$ 2,016,819 | \$ 1,407,322 |
| <i>Contingency</i> | \$ 342,414 | \$ 201,682 | \$ 140,732 |
| <i>Total Authorization</i> | \$ 3,766,555 | \$ 2,218,501 | \$ 1,548,054 |

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None